

**Moral Panics and the Strengthening of Hegemony : The Deficit and Debt 'Crisis' in
Canada**

by

Jennifer Jane Hoffman

Department of Sociology

**Submitted in partial fulfilment
of the requirements for the degree of
Master of arts**

**Faculty of Graduate Studies
The University of Western Ontario
London, Ontario
October, 1998**

© Jennifer Jane Hoffman 1998



National Library
of Canada

Acquisitions and
Bibliographic Services

395 Wellington Street
Ottawa ON K1A 0N4
Canada

Bibliothèque nationale
du Canada

Acquisitions et
services bibliographiques

395, rue Wellington
Ottawa ON K1A 0N4
Canada

Your file Votre référence

Our file Notre référence

The author has granted a non-exclusive licence allowing the National Library of Canada to reproduce, loan, distribute or sell copies of this thesis in microform, paper or electronic formats.

The author retains ownership of the copyright in this thesis. Neither the thesis nor substantial extracts from it may be printed or otherwise reproduced without the author's permission.

L'auteur a accordé une licence non exclusive permettant à la Bibliothèque nationale du Canada de reproduire, prêter, distribuer ou vendre des copies de cette thèse sous la forme de microfiche/film, de reproduction sur papier ou sur format électronique.

L'auteur conserve la propriété du droit d'auteur qui protège cette thèse. Ni la thèse ni des extraits substantiels de celle-ci ne doivent être imprimés ou autrement reproduits sans son autorisation.

0-612-39832-3

ABSTRACT

An exploration of the formation of a new hegemony in Canada based on the principles of Neo-Liberalism is undertaken. I link Gramsci's concept of hegemony with Cohen's notion of moral panic, arguing that moral panics are a tactic that may be employed for the purpose of securing or strengthening hegemony. A combination of narrative analysis and argumentative analysis is used to examine the moral panic that was created in the *Globe and Mail*, around deficit and debt in Canada between 1986 and 1998. Canada's moral panic over deficits and debt is then analyzed for its contribution to the hegemony of the 'new right'. It is concluded that the moral panic that was created around deficits and debt in Canada helped to secure and strengthen the hegemony of the 'new right'.

KEYWORDS: Gramsci, hegemony, Cohen, moral panic, deficit, debt, fiscal crisis, discourse, Neo-Liberalism, 'new right', welfare state, Canada, discourse analysis, argumentative analysis, narrative analysis

ACKNOWLEDGMENTS

I would like to thank my advisor, Jerry White, whose encouragement and guidance helped me to follow my interests and turn an intriguing idea into a thesis. I would also like to thank my second advisor, Julie McMullin, for her enthusiasm in this project and for her insightful commentary along the way.

Appreciation is also extended to the members of the examining committee, James Coté, Bernard Hammond and Carol Agócs for contributing their valuable time and thought to my work.

Finally, I would like to acknowledge my family and friends for their unwavering support throughout my academic career, Cliff Baar for allowing me to see my true potential, in every way and my “study Buddy” for being there throughout the whole process.

TABLE OF CONTENTS

Certificate of examination / ii
Abstract / iii
Acknowledgments / iv
Table of contents / v
List of tables / vii

INTRODUCTION / 1

CHAPTER 1 : THEORIES OF THE STATE AND HEGEMONY / 4

The State / 5
Gramsci and Hegemony / 10
Hegemonic Leadership / 12
Establishing and Maintaining Hegemony / 15
Ideology and Common Sense / 17
Consent and Coercion / 19
Passive Revolution / 20
Civil Society and Historic Bloc / 22
Intellectuals and The Intellectual and Moral Reform / 23

CHAPTER 2 : MORAL PANICS AND THE STRENGTHENING OF HEGEMONY / 26

Introduction to the Concept of Moral Panic / 26
Elements of a Moral Panic / 27
The Ideological Significance of Moral Panic / 33
Linking Moral Panics and Hegemony / 37

CHAPTER 3 : THE DISCOURSE OF FISCAL CRISIS / 43

The Discourse of Fiscal Crisis / 43
The Debt has Reached Alarming Proportions / 45
The Impending Credit Crisis / 46
Other Negative Consequences of the Debt and Deficit / 47
Canadians Have Been “ Taxed Out” / 48
The Debt as Illness / 49
The Analogy Between Individual and State Finances / 50
Courage, Bravery and Toughness / 52
Risking the Future Generations / 53
The Debt is Due to Wasteful Government That Seeks to Buy Support / 54
A Culture of Dependency / 56

The Deficit and Debt Must be Eliminated / 57
Fighting Inflation and Interest / 60
The Cutting Spending Solution / 63
Lowering Our Expectations / 65

CHAPTER 4 : CREATING A MORAL PANIC : THE CASE OF THE CANADIAN FISCAL CRISIS / 67

Media Spreads “The Warning” / 68
The Crisis Depicted in a “Distorted and Exaggerated Fashion” / 69
The Deficit and Debt Situation How Bad is it Really ? / 71
Consequences or Causes ? / 73
Taxed to the Limit ? / 76
State and Individual Finances Strikingly Dissimilar / 78
Risking the Future Generations A Reinterpretation / 80
Waste Not Want Not / 81
The Culture of Dependency Revisited / 83
Should the Debt and Deficit be Our Number One Priority ? / 84
The Importance of Interest and Inflation / 85
Is Cutting Spending the Solution ? / 87
Must We Lower Our Expectations ? / 89
Fiscal Crisis and the Uniformity of Discourse / 90
Measures of Control / 92
The Language of Moral Panic / 95
The Role of Moral Entrepreneurs in the Panic Over Deficits and Debt / 98
The Culmination of the Panic / 102

CHAPTER 5 : STRENGTHENING THE HEGEMONY OF THE ‘NEW RIGHT’ / 105

The ‘New Right’ Agenda / 105
Hegemony in Canada / 107
Contributions of the Debt and Deficit Panic to the Hegemony of the ‘New
Right’ / 111

CONCLUSION / 123

APPENDIX : A / 127

Discourse Analysis as a Research Tool / 127
Methodology / 129
Debt and Deficit Timeline / 136

REFERENCES / 143

VITA / 153

LIST OF TABLES

TABLE 1 : Article Themes / 133

TABLE 2 : Number of Articles Per Year / 135

INTRODUCTION

One of the major advances in Canada in the twentieth century was the development of the welfare state. During the 1930s Canadians' attitudes began to change regarding the role of government and fiscal finance in the nation's economy. Inspired by Keynesian economics, Canadians began to realize that the government, through its expenditures and taxation policies could influence the country's overall level of economic activity. This philosophy suggested that the government could speed up the economy in times of economic distress and slow it down when it began to gain an excess of momentum. This philosophy also suggested that the government had an obligation to provide social programs that would benefit individuals in hard economic times. These new government responsibilities often required running a deficit. The role of the government in the nation's economy continued to grow and by the end of World War Two the Canadian welfare state was well established (Walker, 1982:7).

Since World War Two, Canadians have benefited from the social policies that were established throughout this century. But as this century comes to a close, many of these social programs are in jeopardy due to government cutbacks. A paradigm shift has occurred, whereby the concern has shifted from helping those in need to reducing social spending and the role of government in the lives of citizens. The hard fought gains of previous generations of Canadians are being abandoned in favour of Neo-Liberal, laissez faire principles and a minimal role for government. Policy options, such as expanding social programs, that would have been taken seriously as little as a decade ago are rarely

even considered by today's government (Workman, 1996:16). Thus, Canadian society is in the midst of a marked ideological shift in which a new hegemony is being forged based on the logic of Neo-Liberalism, or what is also known as the 'new right'. This new hegemony has been built upon the diminished hopes and aspirations of the working and marginalized classes and has yet, been met with surprisingly little resistance (Workman, 1996:14).

This thesis addresses how this new hegemony has been formed. More specifically, this thesis argues that moral panics are a tactic that may be employed for the purpose of securing or strengthening hegemony. It is argued that a moral panic was created around Canadian deficits and debts since 1986 that contributed to the strength of the hegemony of the 'new right'. The following brief overview of the thesis' chapters will help to explain how the aforementioned objectives will be met.

Chapter one begins with a short sketch of various theories of the state. This provides us with a common point of departure from which the concepts of hegemony and moral panic may be examined. Chapter one is concerned with describing Gramsci's notion of hegemony ~~and~~ interpreting some of the terminology that Gramsci has developed to illustrate the hegemonic process.

Chapter two explores the concept of moral panic as developed by sociologist Stanley Cohen. Each of the elements of a moral panic are delineated and the ideological significance of moral panics is also examined. In this chapter I introduce my theoretical argument which maps out how the concepts of moral panic and hegemony may be linked together. In doing so, I suggest that this theory provides the basis for a better understanding of the emergence of the 'new right'.

Chapter three examines the discourse on debt and deficit to show that this moral panic has contributed to the hegemony of the ‘new right’. Specifically, chapter three outlines the debate that has taken place, in recent years, within the *Globe and Mail* surrounding the deficit and debt in Canada. The main themes that have appeared in the debt and deficit discourse are strategically outlined for the reader.

Chapter four illustrates that a moral panic was indeed created around the topic of deficits and debt in Canadian society. Each of the elements of moral panic are examined in reference to the themes surrounding the discourse of fiscal crisis as it was outlined in chapter three.

Chapter five presents my argument that the moral panic that was created around deficits and debt in Canada helped to establish the hegemony of the ‘new right’. The contributions of the debt and deficit panic to this shift in hegemony is examined. It is concluded that the effective use of moral panics can aid in the securing and strengthening of hegemony.

CHAPTER 1 : THEORIES OF THE STATE AND HEGEMONY

Ideology provides the frameworks of thought within which people define, interpret, explain and give meaning to their existence in the social and political world. These frameworks simultaneously help us to make sense of our social world and structure our perceptions of the environment. Close examination of individuals' conceptions of the world reveals that social and political thought is not, for the most part, spontaneous and self-generated. It is at the same time both individual and structured. For example, each of us constructs our own unique idea of our domain, and yet most peoples' perspectives of the world tend to fall into broader, shared, collective patterns that are widely diffused throughout society (Donald & Hall, 1986:x). In formulating our ideas and perceptions we frequently rely on established and well organized views of society such as those presented in the media. Thus, our social and political thought, as well as our common sense beliefs about social life, are profoundly structured by the prevailing wisdom of society. This chapter will explore some of the theories that have been developed by sociologists to aid our understanding of the ways in which peoples' perceptions of society come to be structured.

More specifically, this chapter is concerned with a discursive system of thought, namely Antonio Gramsci's notion of hegemony, which in modern, capitalist societies is believed to inform ideology and confer meaning for its subjects on the perplexing events and relationships in the social and political realms. Hegemony, for Gramsci, refers to the

process by which a particular social group or class comes to gain supremacy by cultivating the spontaneous consent of the subordinate class through the development and promotion of ideologies that act as social unifiers (Gramsci, 1971). A society in which a hegemony has been achieved is one in which the ruling and subordinate groups in society all share a relatively coherent belief system. The establishment of long term hegemony in society is a slow process. The hegemony of a group is gradually established as the ruling class modifies peoples' perceptions and justifies its own existence by building a convincingly coherent and comprehensive world view (Gramsci, 1971). Before entering into a more detailed examination of Gramsci's notion of hegemony a brief overview of various state theories will provide us with a common ground that will permit a more extensive exploration of Gramsci's work and its implications for this study.

THE STATE

Most conflict based theories of the state, to some degree, begin with the basic observation that within capitalist society the state broadly serves the interests of the capitalist class. There is a general recognition among most state theorists that an intricate web of informal relations exists between the state and business economy. However, state theorists do vary in the degree to which they believe that the state acts solely as a vehicle to serve the interests of the bourgeoisie. Instrumentalism, for instance, is a state theory, the proponents of which generally believe that the state acts consistently with the interests of the capitalist class in mind. Hence, according to Ralph Miliband the state is an

instrument that is controlled by and serves the interests of the capitalist class (Miliband, 1973). Miliband's analysis of the state centers, in part, on the consequences of the personal and social ties that exist between those who hold powerful positions in society. Those who occupy the leading positions in these various institutions (the "state elite") are thought to determine the actions of the state according to their self interests as well as to their class interests (Miliband, 1973:46).

By emphasizing the social processes that mold the ideological commitments of the "state elite" Miliband departs from the traditional version of instrumentalism in that he does not see the state as unitary in nature (Miliband, 1973:47). Miliband points beyond instrumentalism to foreshadow an analysis of the form-determination of state power, where social and historical circumstances dictate the structure of the state (Jessop, 1982:22). One of the weaknesses of Miliband's approach is that it assumes that the mere presence of capitalists within the state proves that those capitalists must rule in their own interests; however, this may not always be the case (Kasinitz, 1983:340).

Unlike Miliband, Nicos Poulantzas sees the state as a relatively autonomous institution in which policies can be made which are independent from the wills of capital (Poulantzas, 1976). At the same time, Poulantzas also recognizes that the state actively seeks national consensus by representing the interests of the dominant class as if they represented the interests of everyone (Jessop, 1982:155). Poulantzas reconciles these two seemingly contradictory aspects of the state by suggesting that the activities of the state on behalf of the capitalist class are broadly determined by the deep structural relations of society rather than by the individuals who occupy positions of state power as is implied by Miliband (Panitch, 1977:7).

Poulantzas claims that the capitalist state must be understood as an “institutional ensemble” which organizes its power together in an alliance and mobilizes the active consent of society as a whole (Jessop, 1982:155). The most efficient form of capitalist state for Poulantzas is one in which capitalists have few direct ties to the state itself. An effective state bureaucracy must transcend the interests of individual capitalists in favour of the general interests of society (Kasinitz, 1983:342). He sees the state as the provider of cohesion in a class divided society (Jessop, 1982:159).

Poulantzas (1968) argues that state power is always related to the power of a specific class and the state generally acts in the interests of the class that it represents. According to Poulantzas, (1968:54, 137) achieving the long term goal of the maintenance of the political conditions necessary for the reproduction of the dominant mode of production is largely dependent on the ability of the state to successfully manage class contradictions and secure cohesion in the short run. In order to ensure its longer term political goals, the capitalist state must offer certain guarantees to subordinate classes and impose short term sacrifices on the dominant class (Poulantzas, 1965:882-884). Poulantzas (1968) explains that in order to secure its hegemony over the dominated classes, the capitalist state must perform the dual task preventing any political organization on the part of the dominated classes that may end their isolation while simultaneously obscuring the dominated classes’ economically isolated position. Through the continuing negotiation of class interests and by making real yet limited concessions to the dominated classes, the state is able to perform its dual political task and secure its hegemony by presenting its own political interests as those of the nation as a whole (Poulantzas, 1968).

Poulantzas (1970) declares that the dominant ideology is not solely a creation of the dominant class. It also typically includes elements of petite bourgeoisie and working class ideologies as a means of fostering cohesion in a class divided society. In turn, elements of the dominant ideology also permeate the ideologies of the subordinate classes so that eventually the dominant ideology actually comes to structure the very forms of resistance to its own dominance (Jessop, 1982:166).

Similar to Poulantzas, Gramsci also stresses the important role of intellectual and political practices in securing hegemony. Gramsci (1977:39-42, 73-74) portrays the state as a class force which plays a central role in the organization of class domination. The state for Gramsci, acts to secure the long standing interests of the bourgeoisie by ensuring the active consent of the subordinate classes (Jessop, 1982:145). The state was defined by Gramsci (1971:244) as “the entire complex of practical and theoretical activities with which the ruling class not only justifies and maintains its dominance but manages to win the active consent of those over whom it rules.”. According to Gramsci (1971:261), the state is both the “apparatus” of the government and the private “apparatus” of hegemony. Gramsci examined the foundations of state power within the economy, civil society and within the mechanism of the state itself and concluded that ruling class unity stems from the organic relations between political and civil society (Jessop, 1982:147; Gramsci, 1971). The establishment of political support was examined by Gramsci in terms of the political, economic and ideological practices that transgress class boundaries and embrace all forms of social relations. Of particular concern to Gramsci was the maintenance of class domination that comes by creating a delicate balance between the coercion and consent of the subordinate classes (Jessop, 1982:147). Hirsch extends Gramsci’s work,

explicating the intricate relationship that exists between coercion and consent among different classes.

Hirsch attempts to delineate the manner in which apparatuses of the state and political system influence the reproduction of class domination as a whole (Jessop, 1982:101). In Hirsch's view all class based societies require some degree of coercion or force in order to ratify the exploitation of one class by another. He explains that economic interventions into public life on the part of the state should not be mistaken as simple technical adjustments, but instead should be recognized as attempts by the state to maintain class domination (Hirsch, 1973).

Contributing to this knowledge base, another theorist of the state, James O'Connor, has contended that the capitalist state plays two, often contradictory, yet essential roles: accumulation and legitimation. The state must try to create and maintain conditions that are conducive to the profitable accumulation of capital (i.e. provide highways, sewers, communication services, an educated workforce etc.), while at the same time preserve the system's legitimacy by ensuring social harmony (Armstrong, 1996). The functions of accumulation and legitimation are thought to be intimately linked to one another. The state must vary its support between accommodating the needs of organizations seeking profit and expanding state expenditures to ensure the maintenance of consent to the capitalist system (Haiven et al, 1990:6). O'Connor (1973:6) states that "a capitalist state that openly uses its coercive forces to help one class accumulate capital at the expense of other classes loses its legitimacy and hence underestimates loyalty and support.". On the other hand, "a state that ignores the necessity of assisting the process of capital accumulation risks drying up the source of its

own power, the economy's surplus production capacity and the taxes drawn from this surplus" (O'Connor, 1973:6).

O'Connor (1973) declared that if a state focuses too much on legitimation it risks entering a fiscal crisis especially in a case where government expenditures outstrip revenues. Thus, unable to meet the needs of its citizens, the state is open to attacks and criticisms from a variety of sources on the grounds of inefficiency (Armstrong, 1996:6). The maintenance and reproduction of the relationship between the state and the dominant class is encouraged and nurtured by the pervasiveness of the view that the ideologies of the dominant class serve the interests of the nation as a whole. According to O'Connor (1973), it is necessary for the state to be involved in the process of accumulation, but it must either obscure its policies by portraying them as something different than what they are, or it must try to conceal them altogether.

Having briefly examined the above interpretations on the nature of the state, we have a foundation on which to explore Gramsci's notion of hegemony in greater detail.

GRAMSCI AND HEGEMONY

Gramsci extends the more economic interpretations of Marxism by including the state and civil society in his analysis of society. The economic approach to Marxism which Gramsci seeks to remedy sees Marxism as a theory that explains only economically determined classes and their actions (Bocock, 1986). It assumes that there will be few barriers blocking the way of a truly free and democratic society once a change

in the ownership of the means of production, distribution and exchange has taken place (Bocock, 1986:35). Gramsci felt however, that this positivistic and deterministic view of society over-emphasized both the economic sphere and class position of individuals in relation to ownership of the means of production while neglecting the role of the state and institutions of civil society (Bocock, 1986:35).

Gramsci reinterpreted the Marxist conception of state and society to mesh with his own understanding of relationships of domination and the nature of power. He did not consider the rise of a group to the status of ruling class as merely a sign of its economic prowess as some historical materialists would reason. He instead, considered it to be evidence of “an ethical-political expansion of a social group” that feels that it has the ability to rule the whole of society based on its proclaimed intellectual and moral superiority (Pellicani, 1976:31). Therefore, the dominating class does not derive its power from force exercised through the control of the coercive apparatus in society alone, but draws mostly upon the intellectual and moral superiority of its members to mold and rule the larger subordinate classes (Pellicani, 1976). This style of leadership and governance based on the consent of the masses is what Gramsci termed “hegemony”.

Gramsci realized that ideologies had to go beyond reflecting just the immediate economic interests of the ruling class. If the ruling class were to facilitate only its own economic interests, the greed of its practices would become readily apparent to those of the subordinate class whose economic interests were being neglected. As was noted earlier, O’Connor (1973) also recognized the need for the state to accommodate the desires of the subordinate classes to some degree in order to maintain support for the capitalist system. Therefore, Gramsci concluded that the ideology of the ruling class

must also present itself to the subordinate class as a coherent and comprehensive world view. This identity must function to convince the subordinate classes of the fairness and value of its hegemony (Pellicani, 1976:29).

Gramsci was greatly interested in the necessary conditions for a successful revolution in advanced capitalist societies (Gramsci, 1971,1977&1978). Gramsci (1971) identified two modes of class domination in capitalist societies: coercion and hegemony. The former involves “the use of coercive apparatus to bring the mass of people into conformity and compliance with the requirements of a specific mode of production” (Jessop, 1986:148). The latter involves “The successful mobilization and reproduction of the ‘active consent’ of dominated groups by the ruling class through their exercise of intellectual, moral and political leadership” (Jessop, 1986:148). A class and its representatives come to gain power over subordinate classes by successfully managing a delicate combination of coercion and consent. It is the concept of hegemony with which this thesis is most concerned.

HEGEMONIC LEADERSHIP

The Gramscian concept of hegemonic leadership requires that the political, economic and cultural policies being pursued by the dominant ruling group come to be accepted and freely consented to by the popular masses in society (Bocock, 1986:76). In order to gain this free consent, the political program being pursued by the dominant group

must be clearly connected to the moral values and understandings of the people. If an active linkage has not been made between the moral values and popular understandings of the people and the policies of the ruling group, people may feel that they have been manipulated, controlled and dominated in order to obtain the needs and wants of the ruling group. Such a scenario can then lead to the need for coercion by the state in order to maintain its relation of domination. Thus, organizing the consent of the subordinate group becomes a key process in the securing of hegemony.

According to Gramsci, a class can be seen as hegemonic when it has succeeded in persuading the rest of society to accept its own moral, intellectual and political values (Joll, 1977). Hegemony can never be achieved by narrow economic or corporate actions by those in power in the state system. There must be at least some acknowledgment and response to the wishes of those in the system with little power or influence (Bocock, 1986). Gramsci asserts that a hegemonic class makes its own interests dominant while ensuring that they are deemed to be in the general interests of society as a whole. It produces a world view that comes to be accepted by other subordinate and allied classes and groups in society. A skillful ruling class will be able to attain acceptance of its interests by using only a minimal amount of coercion.

A class aspiring to gain hegemony must be able to mobilize, gain and ultimately maintain the active consent of the subordinate classes. In order to gain this active or “spontaneous” consent, such a class must construct an ideological system to develop and promote ideologies that act as a social cement to bind together and unify various social classes and forces (Gramsci, 1971:349). Simon (1982:21) notes that hegemony is not a relation of domination by means of force but of consent by means of ideological

leadership. Hegemony is gained in the ideological organization of consent. Leaders of a hegemonic project cannot just produce or construct this ideological system themselves from scratch. Such a system of ideologies is gradually built up over time through the course of political and economic struggles (Simon, 1982:62). A class struggling to gain hegemony does not have to totally eliminate the ideological system that it is attacking in order to implement its own system. It only has to transform the existing ideological system by preserving and rearranging its durable and useful elements into the new system (Simon, 1982:64). A hegemonic force must articulate its own vision of a newly reformed world and attempt to attract others to support and accept that vision (Maroney, 1992:26).

Hegemonic leadership also entails an emotional dimension which creates a politics of alliances and universalizes the interests of the ruling group ensuring that they also become the interests of the subordinate group. Maroney (1992:37) noted that it is necessary for those political leaders who wish to gain the status of hegemonic leadership to address the sentiments of the whole of the nation's people, not just the dominant group or a fraction of it. The emotional dimension of hegemony as it pertains to moral panic will be examined in greater detail in the next chapter.

Hegemonic leadership requires that the ruling class appear to be in touch with the interests of the masses. It is concluded by Maroney (1992:45) that the acquisition and maintenance of hegemonic leadership may, at times, entail pursuing policies that are in the interests of the nation as a whole and not just the interests of the dominant class or class fractions. As was indicated earlier, the maintenance of cohesion often requires that the state pacify the subordinate classes by incorporating their demands, to a degree. Thus,

it may be necessary to impose some short term sacrifices on the dominant class in order to ensure achievement of its long term political goals.

ESTABLISHING AND MAINTAINING HEGEMONY

Hegemony is not a condition that is imposed, rather it is negotiated by unequal forces through a complex process of development, adjustment and re-creation. Because of the delicate balance that must be maintained between the interests of the dominant group and the interests of the subordinate groups in order to secure hegemony: hegemony is always fragile and must be continuously re-negotiated (Maroney, 1992:26). Gramsci emphasizes that hegemony is premised on a fragile and unstable equilibrium of compromise (Gramsci, 1971:182). The system of alliances upon which hegemony is based cannot be taken for granted, but must be continuously evaluated and adjusted so that cohesion and consensus may prevail and that ideologies of the dominant class continue to present themselves as universal (Simon, 1982:37).

Hegemony can be secured only if the ruling class is willing to make sacrifices and concessions of a practical nature to the subordinate classes (Haiven et. al., 1990:3). This involves considering the interests, needs and wants of the subordinate class and then compromising on some less essential fronts, in order to maintain the support of the masses. At the same time, support must also be organized for the attainment of 'national' goals which really serve the fundamental, long term interests of the dominant group (Gramsci, 1971:180-183). Gramsci (1971:181-182) says that "the dominant group is

coordinated concretely with the general interests of the subordinate groups, and the life of the state is conceived of as a continuous process of formation and of superseding of unstable equilibria between the interests of the fundamental group and those of the subordinate groups - equilibria in which the interests of the dominant groups prevail but only up to a certain point, i.e. stopping short of narrowly corporate economic interest.”

Joll (1977) describes two phases in the development of hegemony. The first stage entails a long period of preparation in which the conditions for pursuing a hegemonic project are developed and laid out. A broad bloc or alliance of varied social forces is built up and begins to become unified by a common world view. The second stage is the period in which the group in question gradually establishes its hegemony. The bloc, once established, acts in cooperation with other groups and within certain limits, respects their interests and makes concessions to their demands.

In order to maintain its hegemony once achieved, the ruling group must make sacrifices of real and practical but non-essential sorts (Gramsci, 1971:161). The consent of other social forces is maintained by the hegemonic class as it creates a system of alliances through the process of a political and ideological struggle (Simon, 1982:23). According to Pellicani (1976:32), a class will remain hegemonic as long as it is able to produce from within or co-opt from without creative individuals who are able to maintain the moral and intellectual legacy of the group and reproduce the consent of the subordinate classes. Thus, a class is able to maintain its hegemony as long as it is able to ensure cohesion within its system of alliances and continue to satisfy, at least in part, the interests of the other classes within society. When hegemony is successfully achieved

and is maintained it becomes virtually unnoticeable in everyday political, cultural and economic life (Bocock, 1986:76).

To summarize, hegemony according to Gramsci entails five main elements: First, active and spontaneous consent is given by the subordinate group to the policies being pursued by the dominant group on the basis of their intellectual, moral and political leadership. Second, the ideologies of the dominant group are developed and come to act as social cement, fostering cohesion amongst all groups in society. Third, the dominant class broadens its own class project to the level of general social vision by making real, yet limited, sacrifices to the subordinate groups. Fourth, the fragile system of alliances upon which hegemony is based is continuously re-negotiated. Finally, successful establishment of hegemony will require a minimum use of coercion and be relatively undetectable in day to day life.

A full understanding of the concepts that are integral to Gramsci's notion of hegemony, given its complexity and intricacy, demands that many of its aspects be explored in further detail in order to benefit from their descriptive and analytic potential.

IDEOLOGY AND COMMON SENSE

Gramsci (1971) indicates that 'old' ideologies are transformed by a process of differentiation that assigns relatively greater levels of importance to newer ideas. Things that were previously considered to be secondary and minor are now taken to be primary and become the focus and core of a new ideological and theoretical complex. When an

ideology becomes widely diffused throughout society and begins to form the basis of moral and philosophical reasoning, informing the spontaneous conceptions of the world held by ordinary people, it can be said to be part of the common sense of the times (Hall, 1986:36).

Gramsci (1971:323-343,419-425) employs the concept of common sense in order to understand the relation between ideology and the individuals whom it influences. Ideologies that influence the practical thinking of people come to imprint themselves on common sense as they begin to direct the impromptu intuitions of the masses. Common sense is characterized by Gramsci as “the uncritical and largely unconscious way in which a person perceives the world, often confused, contradictory and compounded of folklore, myths and popular experience.” (Simon, 1982:25). It is indicated by Gramsci (1971) that common sense is ‘disjointed and episodic’; it is the site on which the dominant ideology is assembled and also the site on which resistance and challenge to the dominant ideology takes place. When an ideology becomes a ‘cultural movement, religion, faith’, it is then able to preserve and cement the conceptual scheme of the group from which the ideology itself emanates (Hall, 1986:37).

Gramsci (1971) argues that in order to have an impact on the masses, new forms of common sense that emerge to reshape perceptions of the world can not be entirely original. They instead must be morally and philosophically connected, at least to some degree with the already taken for granted nature of reality (Hall, 1986:63).

CONSENT AND COERCION

Central to Gramsci's conception of hegemony is the notion that a dominant class and its representatives exercise power over a subordinate class by means of a combination of consent and coercion. Hegemony itself is primarily a strategy for gaining the active and spontaneous consent of the masses through the use of political and ideological leadership rather than by means of physical domination or force (Simon, 1982:21). According to Pellicani's (1976) interpretation of Gramsci, a ruling or dominant class is a social group that has gained the consent of other groups and has used this consent to reorganize society. The consensual reorganization of society helps to guarantee the stability of the new order that it has created, in the process, ensuring its own survival as the dominant class. The acquisition of consent, according to Gramsci, is possible to the extent that the dominant class is able to present itself and its policies as "the motive force of a universal expansion; of a development of all the natural energies" (Gramsci, 1971:1584).

It is also noted by Gramsci (1971:1584) that the establishment of consent depends greatly upon the ability of the dominant class to coordinate its interests with those of the subordinate group so that the state is conceived of as "a continuous overcoming of unstable equilibriums between the interests of the fundamental group and those of subordinate groups, equilibriums in which the interests of the dominating group prevail but only to a certain extent, that is not to the point of miserly corporative-economic interests." Thus, Gramsci contends that in order to gain and maintain consent, the

dominant class must satisfy certain demands of the subordinate class, enough to keep them content but not so much as to jeopardize their own privileged status as leaders. Joll (1977:100) indicates that in periods of crisis the apparatus of hegemony tends to break down creating conditions which are conducive to the search for a new basis of consensus and the creation of a new hegemony.

Without hegemonic consent, the state is thought to have no real recourse except to use coercive force or economic power to impose its policies and manipulate situations to its advantage (Bocock, 1986:46). Gramsci (1975:263) labeled this hegemony armed with coercive power the 'integral state'. The 'integral state' according to Gramsci (1975:263), combines political society (the coercive relations which are materialized in the various institutions of the state, i.e. police, armed forces etc.) with civil society (the 'private' associations of society that are uninvolved with production or the coercive state, i.e. churches, cultural associations). Class domination based solely on force provokes the dominated class to question the legitimacy of the basis on which the dominant class' hegemony is built, resulting in the further weakening of unification of class interests and consent.

PASSIVE REVOLUTION

Gramsci (1971:119-120) used the term passive revolution to describe the characteristic response of the dominant group when their hegemony is threatened. Although an extensive process of reorganization may be required to reaffirm the

hegemony of the dominant class, temporary realignments may be brought about by the more coercive measures of passive revolution. Haiven et al. (1990:205) explain that passive revolution is based more on coercion than on consent. Changes that result from passive revolutionary tactics are maintained primarily by domination which frequently engenders resistance and opposition to their implementation. Passive revolutions often arise when there is a questioning of the legitimacy of the policies and practices of the dominant group (Gramsci, 1973:120).

According to Simon (1982:24) passive revolution is involved when the state makes far reaching modifications into the country's economic and social structure without the active involvement of the people. During a passive revolution the dominant group relies on the weaknesses of the subordinate group and utilizes them for its own gain. The demands of the subordinate class may be, to an extent heeded during the process of social reformation but they are usually carried out in such a way as to only further disorganize and dampen the fervor of popular struggles (Simon, 1982:24). The dominant group may even venture to absorb into itself some of the key elements of the subordinate group in an attempt to weaken the subordinate group's strength and preserve its own power (Gramsci, 1973:153). The dominant class may also try to make the changes that are happening appear less threatening to the subordinate group by using "transformism", a process by which the leaders of the opposition are brought into the leadership structure of the dominant class (Haiven et al., 1990:214). State bureaucracies may also import some key personnel from opposing social movements to boost support for their policies and make them appear less malign.

CIVIL SOCIETY AND HISTORIC BLOC

The concept of civil society in Gramsci's writing is never clearly defined, however, it does play a central role in his discussion of hegemony. Interpreters of Gramsci have constructed a somewhat more coherent picture of the concept by piecing together selected passages from his *Prison Notebooks*. Simon (1982:26) indicates that civil society comprises all the social relations and organizations (aside from the state and its coercion) which embody them. It includes organizations such as trade unions, churches, cultural groups, political parties and the like which are not directly involved in the process of production.

Civil society is the sphere of class and popular democratic struggles. It is also at this level of society that the hegemonic class attempts to create intellectual and moral unity between the various social groups that comprise society (Pellicani, 1976:33). Thus, civil society is the location in which the struggle for hegemony takes place. It is noted by Simon (1982:69) that Gramsci saw civil society as the site on which the dominant class has built up hegemony by means of political and ideological struggles.

In the *Prison Notebooks*, Gramsci (1971) views every hegemony as founded on an historic bloc. He uses the term to describe the way in which a hegemonic class combines its leadership of the social forces in civil society with its leadership elsewhere in society, such as in the sphere of production (Simon, 1982:26). Simply stated, an historic bloc is

“an organic system of social alliances held together by a common ideology and culture”
(Pellicani, 1976:32).

INTELLECTUALS AND THE INTELLECTUAL AND MORAL REFORM

Joll (1977:90-96) explains that Gramsci interprets the nature and role of intellectuals in two ways. First, Gramsci (1971:9) writes that there is a sense in which everyone demonstrates intellectual capacities;

“Each man ... carries some form of intellectual activity, that is, he is a ‘philosopher’, an artist, a man of taste, he participates in a particular conception of the world, has a conscious line of moral conduct and therefore contributes to sustain a conception of the world or to modify it, that is, to bring into being new modes of thought.”

Second, Gramsci admits that although each individual may be an intellectual, not everyone in society functions as an intellectual. Some individuals perform specific intellectual roles as organizers in the political, productive and cultural spheres of society (Simon, 1982:94). Such organizers construct popular ideology and help the dominant class to exercise their hegemony over the subordinate groups. Amongst the individuals who do perform specific intellectual functions, Gramsci makes a further distinction between “traditional” and “organic” intellectuals.

Traditional intellectuals are seen as relatively autonomous and independent of the ruling class. They were the organic intellectuals of an old mode of production that has been superseded and now represent an historical continuity (Simon, 1982:95). Gramsci cites the clergy as an example of the once organic intellectual class that evolved into

traditional intellectuals: “The category of ecclesiastics can be considered the category of intellectuals bound to the landed aristocracy, but as time goes on, intellectual groups which once performed an organic function lose links with their particular class and put themselves forward as autonomous and independent from the dominant social group” (Gramsci, 1971:7; Joll, 1977:92).

Organic intellectuals are seen to be intimately bound to the class to which they belong. The organic intellectuals of the capitalist class are seen to function as agents in organizing hegemony in civil society and domination through the state apparatus (Simon, 1982:96). According to Simon (1982:97), the *Prison Notebooks*’ account of the organic intellectuals in the Italy of Gramsci’s day or in a modern capitalist society is unclear. It is postulated by Simon (1982:97) that if Gramsci were to have made a list of organic intellectuals of the capitalist class in the twentieth century, it would have included managers, engineers, technicians etc. from the sphere of production, politicians, writers, journalists, academics etc. from civil society and civil servants, judges etc. from the state.

Gramsci emphasized the need for intellectuals to experience the feelings of the people and to remain in touch with the sentiments of the masses. Gramsci (1971:418) writes:

“The popular element ‘feels’ but does not always know or understand; the intellectual element ‘knows’ but does not always understand and in particular does not always feel ... The intellectual’s error consists in believing that one can know without understanding and even more without feeling and being impassioned (not only for knowledge in itself but also for the object of knowledge) : in other words that the intellectual can be an intellectual (and not a pure pedant) if distinct and separate from the people-nation, that is without feeling the elementary passions of the people, understanding them and therefore explaining and justifying them in particular historical situation and connecting them dialectically to the laws of history to a superior conception of the world, scientifically and coherently elaborated i.e. knowledge. One cannot make politics into history without this passion, without this sentimental

connection between intellectuals and people-nation. In the absence of such a nexus the relations between the intellectual and the people nation are, or are reduced to, relationships of a purely bureaucratic and formal order.”

Gramsci also stresses that a process of intellectual and moral reform is a key element in the establishment of a national collective will. There must be a “cultural and social unity through which a multiplicity of dispersed wills with heterogeneous aims, are welded together with a single aim, as the basis of an equal and common conception of the world.” (Gramsci, 1971:349). Intellectuals help to provide the social unity that Gramsci describes through the role that they play in the ideological struggle for intellectual and moral reform. The maintenance of contact with the masses puts intellectuals in the unique position of being able to help create a synthesis of the unique historical traditions of the people and the contributions of the diverse social movements that form the hegemonic bloc, which is the very essence of intellectual and moral reform (Simon, 1982:25).

This chapter has reviewed some of the state theories that have been developed in the tradition of Marxism and has explored the notion of hegemony created by Antonio Gramsci. Having captured the essence of Gramsci’s notion of hegemony and initiated an understanding of the concepts and terminology central to its comprehension, we shall now turn our attention to Cohen’s theory of moral panic. Gramsci’s conception of hegemony will be revisited in various sections of this thesis as the argument is made that moral panics are a tactic that may be used in the process of establishing and negotiating hegemony.

CHAPTER 2 : MORAL PANICS AND THE STRENGTHENING OF HEGEMONY

INTRODUCTION TO THE CONCEPT OF MORAL PANIC

This chapter introduces the reader to the concept of moral panic, by outlining the elements and implications of the concept. Cohen's notion of moral panic is frequently used to describe a sudden concern and public anxiety that is created about a morally threatening activity. Moral panics are a means by which the dominant social order can intervene into the public consciousness and facilitate consent for the suppression of a particular activity through the use of highly emotive and nostalgic language. Unlike the slower development of hegemony, moral panics have a sudden and explosive character that commands quick solutions and provides powerful rationale for rapid and immediate action to contain the activity in question.

Although both the concepts hegemony and moral panic deal substantially with the establishment and modification of consensual views of society, the two concepts, based on my research, are not often thought of or dealt with in association with one another. Thus, at the end of this chapter I will present my own theoretical argument linking the concepts of moral panic and hegemony together. I will argue that moral panic and hegemony are neither incompatible, nor unrelated concepts, but rather concepts which may function jointly. More specifically, I will suggest that long term hegemony may

actually be secured and strengthened through the effective usage of short term moral panics. However, before I present this theoretical argument there should be an examination of the notion of moral panic in greater detail.

ELEMENTS OF A MORAL PANIC

The concept of moral panic originated with the work of sociologist Stanley Cohen in 1972. He introduced the concept to explain events in Britain during the 1960's involving British teenage "mods" and "rockers" in which a flood of media reports was used to justify control of these 'troublesome youths'. The notion of moral panic is used frequently to analyze situations in which a sudden, explosive concern, about an activity and usually a pre-existing group that is involved in the activity, has been created and is accompanied by calls for suppression. Cohen (1972:9) defines moral panic as:

"A condition, episode, person or group of persons emerges to become defined as a threat to societal values and interest; its nature is presented in a stylized and stereotypical fashion by the mass media, the moral barricades are manned by editors, bishops, politicians and other right thinking people; socially accredited experts pronounce their diagnosis and solutions; ways of coping are evolved or (more often) resorted to; the condition then disappears, submerges or deteriorates and becomes more visible."

Boëthius (1995) explains that moral panics develop in the following way: first, various warnings of the impending catastrophe are spread by the mass media. Second, once the catastrophe has occurred the media provides a detailed picture of what has happened for public consumption, these reports are usually quite distorted and exaggerated and the event is depicted as extremely threatening. Third, some sort of

appropriate measures of control are called for and public agitation usually succeeds in bringing about a control culture. Finally, the condition which prompted the whole panic is reinforced and repeated until the process finally culminates and ceases when people believe that the measures that have been taken to deal with the problem have had the desired results.

Cohen and his students see moral panic as a means of orchestrating consent by acting on behalf of the dominant social order and actively intervening into the domain of public opinion and social consciousness. Moral panics employ highly emotive and rhetorical language justifying demands that something of a public nature be done about the problem at hand (Chiricos, 1996:20). Although a problem may indeed exist, in order for it to be considered the subject of a moral panic, media response and official reaction to the problem must be deemed to be more severe than the problem itself warrants. A response that is proportionate to the problem at hand, would not be considered a moral panic but rather, a sober and realistic appraisal of the situation. (Waddington, 1986:245). For example, Chambliss (1994) noted that a moral panic had been created in the United States over crime control. Reports created by law enforcement agencies and the media gave the public the impression that crime was out of control when in actuality, the rate of crime in the United States had not changed significantly in the last twenty years (Chambliss, 1994:192).

Mc Robbie and Thornton (1995:562) indicate that moral panics in a given society tend to act as a form of ideological cohesion that draws greatly on a complex language of nostalgia and “common sense”. Cauthen and Jasper (1994:498) report that even after a moral panic has died down, it leaves behind “symbolic resonances” that provide the raw

materials for further mobilizations. The news media and other moral mobilizers appeal to these “symbolic resonances” and to the ‘common sense’ understandings of their audiences in order to persuade and recruit individuals into the ranks to fight the problem that the moral panic addresses. In order to resonate with the beliefs and experiences of those they hope to recruit, moral panics often rely on widespread cultural stereotypes that implicate those whom the panic targets as the problem group. Thus, the idea of an evil wrong doer, on whom the blame can be fastened, is a central concern of moral panics.

Moral panics do not, however, focus merely upon existing cultural beliefs, they help to construct and transform new cultural beliefs by bringing to light new risks and dangers and by mobilizing new grievances (Cauthen & Jasper, 1994). By playing on society’s shared values and confronting socially deviating groups, moral panics assist in defining where the boundaries lie between society’s conception of ‘right’ and ‘wrong’ (Boëthius, 1995). Ben-Yehuda (1990) notes that power and morality play a central role in the creation of moral panics. Dominant ideologies provide and help to construct the moral boundaries that may be reinforced or changed during the process of moral panic. By either reaffirming or challenging moral boundaries, moral panics attempt to define and legitimize new moral frontiers.

Moral panics are typically created by “moral entrepreneurs” or “moral crusaders” who aim to transform the public’s attitude towards specific issues and attempt to change legislation by deviantizing others (Becker, 1963). “Moral entrepreneurs campaign against a public ‘evil’ attempting to repair the moral fabric of society by creating a new rule since the existing rules do not satisfy them” (Becker, 1963:145). According to Ben-Yehuda (1990:98), moral entrepreneurs generally center their efforts on an event that they

interpret to be a flagrant violation of some fundamental cultural value. They attempt to persuade others to adhere to a particular moral universe by focusing on certain specified behaviours and by drawing the public's attention to the moral boundaries of that universe.

Bell (1996) explains that moral entrepreneurs claim to represent both the values of their advocates and their opponents in their crusade for ridding the world of a problem. They use humanitarian overtones in claiming that their plan for societal changes will lead to a better way of life for everyone involved. Moral entrepreneurs are seen by Bell (1996:34) to use "scare tactics" to help the public recognize the impending problem. They are more concerned with the ends than the means and rely on fear to alert and alarm the public when they seem suddenly to discover a particular problem that is threatening the moral fabric of society.

The problem, having been brought to the attention of the public by the moral entrepreneurs, now becomes the focus of the community and members begin to watch for its occurrence (Bell, 1996:34). A state of sudden urgency and panic is created around the issue and the public starts demanding that the problem be addressed. Frequently, this results in agencies being set up to monitor the problem, enforce new rules and penalize infringement of these rules. The records that such agencies keep serve as proof that those who are enforcing the new rules are indeed apprehending those individuals, conditions and/or groups who are responsible for the social problem (Bell, 1996:36). Ben-Yehuda (1990) explains that moral entrepreneurs are more likely to be successful in their endeavor to create a moral panic if they have the ability to mobilize power, encounter little resistance to their campaign and are able to suggest clear, acceptable solutions to the potentially threatening moral issue. Williams, (1994:111) reports that moral

entrepreneurs are becoming increasingly sophisticated in their manipulation of public opinion, resulting in the passing of drastic laws and the creation of new powers to deal with problems which may not even exist in reality. According to Williams (1994), a moral panic was created in Northumbria England around “bail bandits”- those individuals who re-offend while free on bail. This panic resulted in the passing of legislation that required courts to consider offending on bail as an aggravating factor when passing a sentence even though there was no conclusive evidence suggesting that bail breaching was even a problem.

Becker (1963:127) suggested that the success or failure of a moral campaign may depend greatly upon the effective use of the media. The media play the crucial role of liaison between public opinion and the actions and views of the powerful (Hall et al., 1978:63). According to Cauthen and Jasper (1994), the scope and speed of moral panics have escalated in recent years. This is mostly due to the increasing penetration of the news media into peoples’ lives, primarily brought about by access to television. Hall et al. (1978) argue that the media make the world, on which they report, comprehensible to their viewers and readers by locating the event within a range of known social and cultural identifications. The media outline for the majority of the population what constitutes a significant event and offer powerful interpretations of those events. Interpretations which venture outside of the framework provided by the dominant media are generally ignored or charged with “not addressing the real problem”.

According to Hall et al. (1978), the media tend to assume a consensual view of society that allows only one way for events to be viewed. It is postulated that because we are all members of the same society, we all see and are affected by events equally.

Society is represented as a homogeneous unit in which all individuals have roughly the same interests. This denies the differences of power and needs between groups and the conflicts that such inequalities may foster. Murdock (1974) illustrates that the way in which the news media continues to represent issues within frameworks that are already familiar to the public serves to recharge the image and definitions in question and keeps them circulating within the common stock of knowledge. Media coverage of the problematic event does not have to be entirely uncritical, but its overall effect remains as a justification for the moral panic in which it has become engaged (Williams, 1994:108).

Hall et al. (1978:60) state that because of the practical demands and time pressures of the news business there is a tendency to over access those in powerful and privileged institutional positions. Those who present the news to the world do not create it, but stand in a position of structured subordination to the “primary definers”. Thus, the privileged and powerful become the “primary definers” of the situation, translating into public knowledge their own viewpoints and setting the terms of reference in which all further debates take place. Through this process, the definitions of the powerful become the taken for granted state of reality. This process of defining the issues that are newsworthy in society may be inaccessible to those groups that would like to pose counter definitions, but do not have the power or resources to make themselves heard. In this way, the news media help to preserve the definition of the situation by favouring certain sources and omitting other points of debate (Hall et al., 1978:62-65).

By presenting their case within the limits of consensus and by translating unfamiliar issues into the language of the familiar world, primary definers have a better chance at influencing the public. Less powerful groups who are unable to have their

voices heard become stigmatized by their very absence. This allows their views to be systematically deauthenticated and labeled “irrational” (Hall et al., 1978:64). It is through this unequal discourse that the ideologies of the dominant groups in society come to structure the masses’ perceptions of the world and provide the framework for stifling counter definitions to the dominant ideology. The pervasiveness of the dominant definer’s discourse allows it to become equated with ‘common sense’, masking the difference between class experiences (Hall et al., 1978:156).

THE IDEOLOGICAL SIGNIFICANCE OF MORAL PANIC

The ideological significance of moral panic has received relatively little attention within sociological literature, but is an important aspect to examine in order to understand the full impact that moral panics can have on a society. Moral panics are linked to processes of change or stability, either challenging or reaffirming the moral boundaries of society respectively. Moral panics are ideological in the sense that they not only have the ability to report on and reveal issues of concern which appear to threaten societal values and interests, but they also have the capacity to blur and conceal larger structural problems within society (Chiricos, 1996:21).

In analyzing a moral panic the specific political and economic interests as well as the power of those involved in creating the panic must be explained. The reasons why a specific topic suddenly becomes the target for a moral panic should also be taken into consideration (Ben-Yehuda, 1990:101). Such a target is not chosen arbitrarily, the panic

is usually directed at deviantizing entire sub-populations and highlighting the boundaries of different and opposing symbolic moral universes. Ben-Yehuda (1990:116) notes that it is possible that those who create and maintain moral panics may use and abuse moral themes for non-moralistic purposes. They may capitalize on animosity that exists between various moral universes and exploit this situation for their own benefit. For example, Chambliss (1994:192) noted that the moral panic over crime in the United States served as a smoke-screen or diversion from controversial issues fraught with political danger such as health care and civil rights and also helped to legitimize the passage of laws that provided law enforcement agencies with more effective means of suppressing social protest.

Moral panics can be seen to serve the interests of their supporters while simultaneously justifying and diverting attention from the consequences of decisions made by the dominant group in society. The ideological discourse of moral panics functions to keep the mass of a population focused on the ostensible 'dangers' that need to be combated in society and obscures decisions made by the dominant class that contribute to the expansion and powerlessness of the subordinate class (Chiricos, 1996:45). The concern that moral panic inspires around the targeted problem gives the appearance that the problem is sudden and escalating, when in fact such a problem may have endured for decades. This facade results in sudden solutions which are fundamentally inappropriate to the problem at hand but are faster and easier than making large structural changes within society (Chiricos, 1996:36). Hall et al. (1978:118) illustrate that any other way of approaching the targeted problem would necessarily call into question the more structural characteristics of society that may have the potential to

be politically explosive or could undermine the hegemony of the dominant group. Chiricos (1996:45) says that the ideology of moral panic promotes 'solutions' to the contradictions of capitalism that misrepresent and conceal their existence whilst mobilizing support to meet its objectives. Thus, an atmosphere of panic serves the interests of its creators by mobilizing demands for suppression of the targeted issue and by distracting the public from the enduring root problems in society that should be addressed.

Boëthius (1995) stresses that moral panics relate to conflicts of interest and power differentials at the societal level which leave some groups more vulnerable than others to attack. Subordinate groups who typically have little political clout and few resources find it difficult to get their definitions of the situation circulating in the mainstream debate. As Hall et al.(1978) explained, inscribed within the very structures and processes of the news media is the tendency to reproduce the definitions of the powerful and dominant ideology. Hall et al. (1978:155) state that it is through the unequal complementarity of ideas, that are portrayed in the media, that the authority of dominant ideas over subordinate ones is sustained. The sheer pervasiveness of the dominant ideologies allow them to come to be equated with common sense and obscure the differences between class experiences.

Many of the structured forms of communication that the news media send out are meshed so well with prevailing common sense that the ideological constructs embedded in these communications become increasingly taken for granted until they are hardly visible at all (Hall et al. 1978:65). Given the fact that moral panics draw so heavily upon common sense, all moral panic need do is employ common sense images either implicitly

or explicitly in order to justify the legitimacy of its claims in the minds of the masses. Hall et al. (1978:166) illustrate that the 'ordinary' lay public believes that it constructs its definitions of the situation free from societal or ideological constraint, when in fact most individual's explanations of their environments are not produced by the internal fabric of the mind but are cast within the existing fields of explanation that have been produced over time. It is through this process that dominant ideologies gain their credibility and appearance of coherency. The dominant ideologies come to structure the rules of conduct that are seen as appropriate for the majority. The dominant ideologies thus, enter the real experience of people's lives and begin to shape their behaviours, configure peoples' perceptions of the world and provide a framework in which future events can be interpreted and understood (Hall et al. 1978:166-170).

Moral panics sometimes present negative images of the group, activity or condition that they intend to target and combat. Hall et al. (1978:118) argue that these negative images tend to suppress in-depth analysis of the activities under attack by the moral panics. They note that at the point when further analysis of the situation threatens to go beyond the boundaries of the dominant ideology (i.e. we begin to question the real roots of societal problems) the "image" is evoked to foreclose the problem. This powerful and compelling form of rhetorical closure allows for the replacement of critical analysis of the situation with generalized, and often stereotypical analogy.

What moral panics frequently conceal is the relative powerlessness and deprived class position that the subordinate group has been relegated to in society. The creation of a moral panic can be seen as a mechanism that may be used to sustain political separation. Through its control of the discourse of moral panic, the dominant class is able to

reproduce the existing class structure. Focusing on the moral panic that has been created detracts from attempts to construct organizations at the political level which represent the subordinate group as a whole. It is an effective method for diverting attention away from contradictions in a nation's political economy that promote an expansion of the subordinate class and increasing economic inequalities.

Thus, to summarize the ideological implications of moral panics, it was noted that moral panics can 1) highlight the boundaries of the moral world by presenting negative images of a targeted group, 2) help to reproduce the dominant ideology by effectively eliminating the involvement of some groups in the debate, 3) divert attention from the objectives, decisions and consequences of the dominant group's actions and 4) aid in concealing power differences that exist in society.

LINKING MORAL PANICS AND HEGEMONY

The remainder of the chapter presents my own theoretical argument, which links together the concepts of hegemony and moral panic. Although many studies, conducted within the relevant literature, have made implicit links between the concepts of moral panic and hegemony, none, to my knowledge, has ever explicitly connected the two concepts. I argue that the effective employment of short term moral panics may be a useful tactic in helping to secure and strengthen long term hegemony.

Bocock (1986:76) states that a class must engage in a hegemonic struggle if it wishes to produce change in society. Initially this struggle for hegemony will take the

form of moral and political arguments primarily in the media rather than direct corporate and economic actions or inactions. The struggle for hegemony is seen by Gramsci as a moral, intellectual and philosophical battle. It is a political program that must be actively related to the moral values of the people (Bocock, 1986:76). The ability of the dominant class to provide intellectual as well as moral and political leadership for the whole of society is stressed by Gramsci as a key element necessary for the creation and maintenance of a collective will (Jessop, 1982:148). Thus, it seems logical that there is an inherently moralistic element contained within the struggle for hegemony which the hegemonic class may be able to effectively access by engaging in moral panics which in turn would solidify its ideological leadership.

I contend that moral panics may be thought of as tactics through which the hegemony of the dominant class may be harmoniously affirmed and reaffirmed. They may do so in two main ways. First, moral panics can provide the emotional dimension that is needed in the establishment of hegemony. They may help to generate active consent amongst the general population and universalize the interests of the ruling group in short term battles so that these interests become in agreement with the ruling group's long term political program. Second, moral panics can help to conceal the depth and pervasiveness of hegemony by diverting attention from the extent to which the policies being pursued in society benefit the dominant group.

Hegemony requires that the policies that the dominant class want to implement come to be accepted and consented to by the general population. Moral panics likely help to bring about this consent by presenting problems - that the dominant class' policies intend to address - in a distorted and exaggerated fashion. This justifies the response that

something of a public nature be done to control the threatening activity, group or condition. The hegemonic class must be able to address the sentiments of the people and not appear estranged from the concerns of the masses. Through the creation of a moral panic the dominant class may be able to connect itself to the concerns of the subordinate groups by suggesting solutions to the dilemma that will benefit their hegemonic endeavor in the long run.

The delicate balance between coercion and consent in the achievement of hegemony is dependent upon the ability of the dominant class to provide intellectual, moral and political leadership to the masses (Jessop, 1986:148). Moral panic may bolster such leadership by giving the dominant class the opportunity to demonstrate its leadership abilities in suggesting and implementing clear and acceptable solutions to the morally threatening problem. The political and intellectual leadership of the dominant class may also be strengthened if political and intellectual elements are actively incorporated into the discourse surrounding the moral panic. Thus, it is likely that through the effective articulation of moral panics, a dominant class can heighten the perceived value of its leadership and organize the consent needed to secure its hegemony.

Hall (1978:216) states that a hegemonic class is one that has managed to secure both cultural and ideological authority over the subordinate classes in such a way that it encloses the material, mental and social universes of the subordinate classes. Through the use of stereotypes, highly emotive language and appeals to 'common sense' moral panics can help ensure that the political program of the hegemonic class appears to be closely rooted to the moral values and understandings of the people. It is important in securing hegemony that the subordinate classes do not feel manipulated into obtaining the

needs and wants of the ruling group. Thus, moral panics may be useful in lessening the feeling of manipulation and control on the part of the subordinate classes as the target of the panic is usually depicted as threatening to the moral fabric of the entire society and not just one class or fraction of a class. As noted earlier, the media tend to portray the morally threatening issue in a single unitary way. This cohesive presentation of the panic helps to put an object and 'face' on the collective national will. As such moral panics can aid in the welding of many dispersed wills into a single aim, strengthening the consensual view of society that hegemony requires.

Moral panics may be useful in the hegemonic task of expanding the vision of the dominant class into that of a broad social vision that envelopes both the subordinate and dominant groups. Maroney (1992) indicates that a class advancing towards hegemony has to broaden its own class project by demonstrating its competence in assuring economic development while considering the needs of the subordinate group. A class cannot achieve hegemony by simply imposing its interests on all other classes and social groups. It must also be able to lead the economic and ideological spheres of public life. Moral panic is a route by which both of those goals may be met. It allows the hegemonic class to address the sentiments of the people while at the same time producing conditions in which it may advance its own political goals.

Depending on the nature of the moral issue that is targeted in the panic, the dominant class may be able to use the panic for purposes of both accumulation and legitimation. If the panic is strategically articulated the measures of control and suppression of the problem called for by the public may be manipulated in such away that they mesh with the political goals of the dominant class. In this way the hegemony of the

dominant class is legitimated as it appears to provide concessions to the subordinate class even though those same concessions may help to further the accumulation of capital needed to perpetuate the interests of the dominant class.

By using moral panics to help secure hegemony, the intellectuals of the dominant class become the moral entrepreneurs who campaign against the 'public evil'; creating new rules and attempting to persuade others to adhere to their vision of a moral universe. Throughout this campaign the dominant group would then claim to represent both the values of their advocates and their opponents in creating a newly reformed world. The creation of a moral panic by the dominant group becomes a way of asserting its own interests while making them appear as though they are beneficial to all. Moral panics may provide the struggles that, overtime, with the "symbolic resonances" they leave behind, supply the basis on which the dominant class can build and instruct the course of its hegemony.

Moral panics, I assert, may also be useful tools in the negotiation of hegemony. The strategic application of moral panics can help to ensure that an equilibrium is maintained between the interests of the dominant group and the subordinate groups as moral panics weld the interests of both the subordinate and dominant groups into a battle against a common 'enemy'. The stability of hegemony, I maintain, is encouraged by panics that are generated around a morally threatening theme. Such panics tend to coordinate the interests of those pursuing hegemony with those of the subordinate group. The measures taken to combat the targeted problem create the appearance of a dominant class that is in touch with and looks out for the interests of all of society when in actuality, such measures may ultimately favour the attainment of the goals of the

hegemonic class. The need for coercion in establishing hegemony may be lessened if moral panics can help the dominant group to reach its goals in a more subtle and consensual way.

As we noted above, moral panics have been thought to distract the public and keep them focused on the ostensible 'dangers' that are perpetrating their society while diverting attention from the structural causes of such problems. Beyond this function I will argue that moral panics may also be used to distract from such larger structural changes happening in society, such as the establishment or re-negotiation of hegemony. In both instances moral panics help to ensure that the hegemony of the dominant class may remain relatively undetectable in society, which as previously noted, is one of the important elements that denotes a successful hegemonic project.

This chapter began with an examination of Cohen's concept of moral panic, its essential elements and its ideological significance. This chapter also presented my own theoretical argument, establishing a conceptual link between the notion of hegemony as delineated by Gramsci and the concept of moral panic as formulated by Cohen. Noting that these two concepts have rarely, if ever been linked in the relevant literature, I argued that long term hegemony may be secured and strengthened through the effective usage of short term moral panics. In order to further clarify this argument let us explore the example of the panic that was created around deficits and debt in Canada and its contribution to the hegemony of the 'new right'.

CHAPTER 3 : THE DISCOURSE OF FISCAL CRISIS

THE DISCOURSE OF FISCAL CRISIS

The purpose of this chapter is to introduce the reader to the Canadian deficit and debt debate that was taking place within the media between 1986 and 1998. Most of the information in this chapter was taken from issues of the *Globe and Mail* during that time-frame. These data are used to illustrate that a moral panic surrounding these issues was indeed created. The main themes of the debt and deficit discourse will be presented in this chapter and will then be used throughout the rest of this thesis to illustrate that the moral panic created around deficits and debts has helped secure the hegemony of the 'new right'. Additional information regarding methodology and data collection is in Appendix A.

During the late 1980's and continuing throughout the 1990's Canadians witnessed widespread discussions and debates over the country's fiscal situation. Virtually all of the sources that we traditionally rely on for information: government, business, academia and the media were sending us the urgent message that Canada's debt had reached alarming proportions and must be brought under control.

This message is centered around the notion that unless the course of the nation's history is side-tracked by unsound fiscal management we will continue to progress and

improve as a nation. As the story goes however, our trajectory of improvement has been disrupted. Large debts created by careless and wasteful governments have continued to accumulate. In order to restore our fiscal integrity governments must have the courage to make unpopular decisions and bring spending under control. The common sentiment of such debates suggests that the growth of the debt must be reversed for the common good of all Canadians.

The debate over deficits and debt has emerged over a relatively short period of time and has managed to penetrate the consciousness of the public, causing mounting concern among Canadians about the fiscal stability of their nation. The importance of discussions about our debt and deficit lies in the fact that such discussions ultimately affect the future of the welfare state in Canada. Social policy is necessarily implicated when decisions are made to change the amount of the public debt. The choice of how to allocate public funds, whether to dedicate resources to program spending or concentrate on debt reduction, holds important consequences for the continued viability of the Canadian welfare state. The debate, although often centered on the need for sound fiscal management is not solely about economic efficiency, but also has to do with the kind of society within which, we as Canadians, want to live.

A closer examination of some of the main themes that have dominated the debates surrounding the deficit and debt in Canada will help to elucidate the discourse of fiscal crisis.

THE DEBT HAS REACHED ALARMING PROPORTIONS

The discourse of fiscal crisis begins with the idea that Canada's debt has reached alarming proportions. The debt is frequently depicted as soaring, ballooning or spiraling out of control; exacerbated by unwieldy, staggering or massive federal deficits. Of all of the country's "classic problems" none pose as great a threat as does the magnitude of the rapidly growing national debt (MacDonald, 1989:A7). This is compounded by the fact that the federal government's budget deficit alone, is one of the highest in the world on a per capita basis (Kohut, 1988:B3). The Canadian Manufacturing Association warned Canadians that if not curtailed, the national debt was on track to hit one trillion dollars and overshadow all economic output by the year 2001 (Canadian Press, 1993a:B2).

The debt is considered to be so large that it is nearing third world proportions. Canada's debt servicing burden is said to be more serious than those of virtually all its industrial trading partners; quickly approaching the ranks of some of countries such as Mexico, Brazil and Argentina (Murenbeeld, 1987:A7). A few years later, our badly ailing government debt was reported to have "pushed past" Argentinean levels and into the company of "poorhouse nations" like Ethiopia. Even war ravaged Rwanda was seen to be in a better financial position than Canada based on a comparison of debt to GDP ratios (McKenna, 1994a:B8). The debt was likened to a time bomb just waiting to go off. Left unattended, it could result in a financial crisis that would surely traumatize the nation (McKenna, 1994a:B8). Such dramatic reports clearly illustrated Canada's dire debt and deficit situation and its harmful potential if not brought under control.

THE IMPENDING CREDIT CRISIS

The discourse of fiscal crisis points out that a failure by Canadians to address their growing federal debt and deficit problems could result in a credit crisis and a loss of Canada's sovereignty. Although economists are unable to provide a clear cut answer as to what would be considered an appropriate amount of public debt, history and experience suggest that Canada's high debt levels (greater than 80% of GDP) increase the potential of a debt crisis (Richards and Watson, 1994:23).

It is also understood that there is some point at which Canada will hit the "debt wall" if the growth of its debt is not curtailed. Large debts will eventually evoke a crisis of confidence in the government on the part of foreign and domestic investors. It may become increasingly difficult for Canada to sell its bonds and treasury bills at auction as lenders become skeptical about Canada's ability to service its debt in the future. Ultimately our ability to borrow money for essential projects could be eliminated, causing the treasury department to monetize much of our debt with inflationary consequences (Wells, 1993:A25).

The discourse of fiscal crisis indicates that foreign lenders may very well lose their confidence in Canadian money markets and begin to shy away from further lending (Thorsell, 1993a:D6). The wariness of foreign lenders is seen to be amply justified given the distorted nature of the Canadian economy and the rapid accumulation of government deficits and debt. Questions are raised about how much more borrowing Canada will be able to do before its credit is cut off (Cook, 1992:B2). Canadians are reminded that the

market's appetite for Canadian bonds is not insatiable and that the downgrading of our bonds is always within the realm of possibility (Little, 1994a:B3; Freeman, 1993a:B1). We should be grateful that investors have not already resorted to "drastic measures" (Partridge, 1994:B1).

A credit crisis would severely limit the state's ability to finance all forms of expenditures and force the government to act with great austerity (Richards and Watson, 1994:3; McCallum, 1994:127). Robbed of its "fiscal flexibility" governments would have difficulty in responding to sudden economic challenges and may lose the authority to speak for the country's future (Freeman, 1994b:B4; MacDonald, 1989:A7). Canadians are advised of the need to tackle the debt and deficit dilemma head on, in order to avoid international dictates (Simpson, 1993:A24). Failure to bring the deficit and debt in line could lead to a credit crisis that may ultimately jeopardize the sovereignty of the nation.

OTHER NEGATIVE CONSEQUENCES OF THE DEBT AND DEFICIT

In addition to increasing the risk of a credit crisis, the discourse also suggests that the debt and deficit situation in Canada holds other troublesome implications for the economic stability of the nation. Chronic deficits and debts are seen as a drag on Canada's economic growth (Thorsell, 1993:D6; Little, 1991b:B5). Servicing the huge Canadian debt uses up a substantial portion of the nation's savings, increasing our dependence on foreign borrowing. This causes interest rates and the cost of capital to rise as investors demand ever increasing rates of return on their lending. Investors fear that as

deficits and debts rise, inflationary pressures will harm the potential of their investment as monetizing the debt load becomes an increasingly attractive option (Little, 1991a: B5).

As the cost of capital rises, private investment is crowded out, retarding the productivity of the nation and leaving Canada poorly prepared to face international competition (Enchin, 1991:B1; MacDonald, 1989:A7). The deficit supports consumption by the unemployed, aged and disadvantaged and soon leads to an environment that lacks industriousness (Murenbeeld, 1987:A7). Thus, beyond escalating the probability of a credit crisis, spending deficits are depicted as deterring private investment and requiring increasing rates of taxation both of which can hinder economic growth and negatively impact the future well being of the nation.

CANADIANS HAVE BEEN “TAXED OUT”

The debt and deficit discourse suggests that raising taxes is no longer a viable option for Canadian governments who wish to take hold of the fiscal situation. Taxes are portrayed as having reached their maximum level of yield (Coté, 1993:12). Over-reliance on taxes to increase revenue in the past has exhausted the nation’s taxation capacity and as a result Canadians have no tolerance for further increases. Therefore, the most likely source of relief from our deficit woes will come in the form of expenditure reductions (Freeman, 1991a:A1; Wells, 1993:A25; Appleby, 1993:A1; Little, 1993a:B2; Little, 1993b:B1; Mittelstaedt, 1994:B16).

Taxing beyond the saturation point can have devastating effects on the nation's economy. High taxation levels decrease incentives to earn income, increase the attractiveness of tax evasion and can contribute to the proliferation of an under ground economy (Little, 1994b:B3; Coté, 1993:12; Greenspon, 1993:B6). As Canadians find ways to avoid the high costs of taxation federal revenue will fall even further causing the fiscal situation to worsen and may result in people questioning the fairness and legitimacy of the tax system altogether (Grubel, 1992:13 ; Mc Callum, 1994:120).

Taxes are seen as a drag on the economy that can deter potential investors (McKenna, 1994b:B4). Emigration may become an inviting option for productive members of society who feel that Canadian taxes are too high (Grubel, 1992:13). Dependence on high taxes to pay down the debt and deficit challenges industry in Canada and puts us as at a competitive disadvantage in the global marketplace against other countries who may not have the burden of such high operating costs (Freeman, 1994b:B4; Enchin, 1991:B1). The fiscal integrity of the nation must be restored, but the solution to the problem does not lie in increasing taxes on the backs of Canadians who already feel they have reached their taxation limit.

THE DEBT AS ILLNESS

The discourse of fiscal crisis is studded with contemporary notions concerning health and illness. Our need to deal with the debt and deficit problem is represented in terms that accord directly with modern understandings of the body as an object that can be managed to maintain health (Workman, 1996:51). Frequent references are made to the

deteriorating financial “health” of the nation (McNith, 1993:B1). We have been said to be suffering from the “consume - more than you own- disease”, which has put the political and economic stability of the country at risk (MacDonald, 1989:A7). The only “cure” for what ails us is for Ottawa to put itself on a “deficit diet” (Canadian Press, 1990a:B5), cut the deficit and debt and “nurse the economy back to health” (Freeman, 1991a: A1 ; Raymond, 1990:B6). It has been prescribed that we take our “preventative economic medicine” or continue with our current spending practices and learn our lesson through increased “pain” (Thorsell, 1993a:D6).

The debt and deficit situation has also been likened to an addiction. Canada has been called a “debt junkie”, who, like a drug addict, needs to keep feeding its habit of debt accumulation (Thorsell, 1993b:D6). Canada is reported to be borrowing chronically not for purposes of investment but to uphold our consumption because our debt has grown so large. And like an old drug, to which Canada has built up a tolerance we need to find new ways to manage our debt and deficit problems because “the old fixes don’t work any more” (Thorsell, 1993b:D6).

THE ANALOGY BETWEEN INDIVIDUAL AND STATE FINANCES

Within the discourse of fiscal crisis an analogy is commonly made between individual finances and those of the state. Government financing is depicted as being similar to an individual’s personal finances or the those of a household (Workman, 1996: 74). The problem of over extending oneself in personal finances is often expanded to the

Canadian fiscal situation. Canada is depicted as a frivolous spender who is so far in debt that it has to borrow from the bank just to pay the grocery bills (Canadian Press and Staff, 1993:B14; Griffin, 1986:A7). To ignore the debt and its interest charges would be like taking a vacation this year and deciding to pay for it over the next three years, all the while pretending that there is nothing to really pay back and no interest charges accruing on the bank loan (Rusk, 1991:B10). It is considered to be foolish to spend money that you do not have, as Canadians have been doing ; “living beyond one’s means” under personal circumstances leads to bankruptcy (Howard, 1993:A1; Aarsteinsen, 1988:B3).

More direct examples are also often used to indicate the real impact of the debt on the individual, creating a tension between individual and collective finances. Canadians are noted as being in the unenviable position of being accountable for government debts that are twice as large as their own personal debts (Mittelstaedt, 1994:B16). On a gross basis (excluding government assets like cash and investments) the total debt was said to amount to \$61,188 per person in 1994 (McKenna, 1994a:B8). Foreign debt alone was reported to have worked out to \$11,000 for every Canadian in 1993 (Little, 1993c:B1). In fact, if averaged out, a typical family of four pays more a week in interest payments on the debt than it spends on food (Raymond, 1990: B6).

The Auditor General of Canada recommended that decreasing the debt burden should be viewed the same way an individual would approach a mortgage reduction strategy, requiring Canadians to consider what level of debt they deem affordable and how much time they want to allocate to paying it off (Freeman, 1995a:B4). Thus, the federal debt is understood as something that must be serviced out of the hard work and

investment of every Canadian in the same way that it would if we had to repay a bank loan.

COURAGE, BRAVERY AND TOUGHNESS

The discourse of fiscal crisis is tied to many gendered understandings that are characteristic of patriarchal culture. This involves the privileging of those attributes perceived to be “masculine”. Contained within the discourse are numerous references to toughness, bravery and courage that relate most clearly to the “masculine” side of life (Workman, 1996:55). The common sentiment among such allusions is that the government will have to “get tough” in order to bring the fiscal situation under control (Little, 1992a:B1; Canadian Press, 1989a:B3). Investors anticipate that Ottawa will take “tough action” on the federal debt and advise that the finance department needs to “impose tougher measures” to contain the deficit situation (Little, 1994c:B5; Stinson, 1993:B1; MacDonald, 1989:A7). An “aggressive” and “vigorous attack” on the deficit and debt is reported to be warranted (Little, 1994c:B5 ; Feschuk, 1993:B4).

Much “courage” and “bravery” will be needed to take the necessary measures to restore our fiscal integrity. Politicians are called upon to find the “courage and discipline” to make the types of unpopular decisions that will reign in our deficit and debt problems (Simpson, 1993:A24; Griffin, 1986 : A7). Balancing the budget is seen as a “responsible objective” (Canadian Press, 1993a:B2) that is attainable if those in power have the “intestinal fortitude” (Mac Donald, 1989: A7), are willing to “bite the bullet”

(Freeman, 1991a:A1) to reduce spending and “wrestle” (Stinson, 1993:B7) down our mountain of debt. Those who would oppose setting deficit reduction targets are portrayed as lacking the courage or foresight to do what is best for the economy (Corcoran, 1991a:B2).

RISKING THE FUTURE GENERATIONS

Another theme that appears frequently within the discourse of fiscal crisis is the idea that government debts unfairly burden future generations. The failure of the current generation to act responsibly and balance the budget means that present expenditures are being financed at the expense of future generations who will inherit the large debt. Deficit spending is seen as unethical and immoral as it violates the rights of future generations who are unable to vote or who may not even be born yet (Grubel,1992:14). We are instructed that “we must begin to pay the bills for current services and not pass them on to our children” (Cook, 1986:B3). Canadians are asked to search their souls and decide whether the legacy they are passing along to their children is as good as the legacy they received from their parents (MacDonald, 1989:A7).

The fact that the debt even exists means implicitly that the older generation - those who have been the predominant beneficiaries of the debt- has taken the younger generation hostage, as the government will have to commit itself to debt reduction for many years to come (Richards and Watson, 1994:8). Once the consequences of their actions have been made clear, citizens may well be motivated to voluntarily attempt to lessen the burden on future generations by adhering to an explicit program of fiscal

austerity (Richards and Watson, 1994:8). We owe it to our children to use any surpluses that we may encounter to pay down the debt and lighten their debt burden (Dinning, 1997:A17).

THE DEBT IS DUE TO WASTEFUL GOVERNMENT THAT SEEKS TO BUY SUPPORT

As well as extolling the problems that deficits and debt create for Canadians, the discourse of fiscal crisis also identifies some of the perceived causes of our fiscal distress. We shall examine some of these causes as outlined by the discourse. Among the causes identified, irresponsible spending on the part of past and present governments is seen to have contributed most prophetically to the decline of Canada's economic stability. Years of undisciplined spending are said to have led to the present hefty federal debt (Little, 1992a:B1). In particular, the "unsustainable spending levels" of the 1980's are often blamed for the sharp increase in Canada's debt burden. The fiscal excesses of the 1980's that were thought to be a temporary phenomena have wound up being permanent fixtures contributing to the country's explosive debt dynamics (Richards and Watson, 1994:16). The "remorseless arithmetic" of deficits and debt that began decades ago continues to be felt across the nation, the consequence of so many years of fiscal recklessness (Simpson, 1995:A20).

The social benefits that we have given ourselves may now seem essential but they are extravagant beyond imagination when compared to those of the vast majority of

mankind (Griffin, 1986:A7). We are reported to be depriving less affluent countries of the ability to attract investors by soaking up huge amounts of the world's available savings just to maintain our opulent lifestyle (MacDonald, 1989:A7). Continued commitment to what is depicted as frivolous government spending is an irresponsible route to take just to fulfill our own selfish and hedonistic desires.

The discourse also draws on the understanding that a considerable portion of the debt is a result of spending on programs that support unmotivated and unproductive members of society (Workman, 1996:81). It is noted that in 1992 the federal and provincial governments combined spent over 30 billion dollars on unemployment insurance and welfare payments (Corcoran, 1992:B2). Although, such programs are considered to create disincentives to finding work, Canada continues to conduct one of the world's most generous unemployment insurance programs (Freeman, 1994b:B1). The consensus among many in business and industry is that it is time we stopped paying people "to stay home and do nothing" (Appleby, 1993:A4). The discourse of fiscal crisis reveals that much of the spending on these types of "specialty" programs does little to better the welfare of the average Canadian and may be more fittingly considered a wasteful practice that could potentially lower the living standards of current and future generations of Canadians (Grubel, 1992:21).

Expenditures have become so costly that they now necessitate the "taxing away" of nearly half of national income (Rusk, 1991:B 10). Given the demands for spending that rain down on Ottawa, fewer Canadians seem trusting of their governments to spend their money in an effective manner (Simpson, 1991:A14; Freeman, 1991b:A6). This is especially true when it is frequently observed that government expenditures - that are

reported to be wasteful and decrease the efficiency of the economy - surpass federal revenues (Freeman, 1992a:B1).

The growth of government spending in recent years and the persistence of deficits is seen to be a consequence of irresponsible governments catering to the public for the purpose of obtaining support for re- election (Grubel, 1992:3). The discourse of fiscal crisis views the creation and maintenance of social programs as a product of an attempt by unethical politicians to secure the voter loyalty of special interest groups by granting them legislative benefits (Little, 1994d, B3). By increasing spending in the programs they oversee, politicians are also able to increase their own personal status (Grubel,1992:18). Canadians are warned that as long as they continue to vote for generous spending programs our fiscal situation will only get worse (McKenna, 1993:B4).

A CULTURE OF DEPENDENCY

Another cause of our financial woes, according to the discourse of fiscal crisis is that, over the years Canadians have come to rely upon costly government programs. The idea has been promoted that all the assistance that government has provided its citizens has created a “dangerous dependency” (McQuaig, 1995:7). The carelessness of present politicians is not entirely to blame for the fiscal crisis in which we find ourselves. It is a legacy of nearly three decades of debt creation and spending on government programs. It is the result of “everybody from business people to farmers getting twenty-five years of free lunches” (Freeman, 1994a:B23), the effect of years of spending more than we have

earned as a country (Little, 1992b:B18). It is the outcome of years of a growing attachment to government services and an ongoing belief in irreducible government (Cook, 1995:B2).

Since the 1960's the government has embarked upon a series of generous programs that have become somewhat of a hallmark of the modern Canadian identity (Simpson, 1994:784). Such programs have become so entrenched that many have become unwilling to give them up. Canadians have been enticed into believing that they can indeed "have their cake and eat it too" (Little, 1992a:B2). However, under the restraints of huge deficits and debt, less of the government's revenue is available to pay for the services that we have come to think of as indispensable (Griffin, 1986:A7). Thus, the discourse of fiscal crisis implies that we must transform our culture of dependency into a active and self reliant citizenry.

THE DEFICIT AND DEBT MUST BE ELIMINATED

Also revealed within the discourse of fiscal crisis are suggestions regarding how best to combat our deficit and debt dilemmas. The most general of such proposals lies in the acknowledgment that government policy must make the elimination of deficits and debt a key objective. Unconventional measures to achieve this objective are seen as warranted. Having permitted an uncontrolled escalation of government debt, Canadians must act now to rectify the situation (Carmichael, 1993:37). Political leaders are urged to put the fiscal house in order before it collapses (Griffin, 1986:A7). Likewise, Canadians

are warned that quick intervention is necessary to stop the destructive path that our finances have taken (Barnes, 1989:B4). The only way that Canada can protect itself from adverse developments in the world economy is by decreasing the deficit and stabilizing the debt to GDP ratio (Rusk, 1989:B1). Unless the problem is addressed now and the trend of debt accumulation is reversed in a timely manner, the situation will only get worse (Kohut, 1989:B1). Thus, the discourse illustrates the urgent need to curtail the growth of deficits and debt and break the vicious cycle of fiscal crisis.

Given the fact that failure to achieve a balanced budget can have grievous long term consequences for the economy, the discourse advises that the government undertake a serious commitment to fiscal responsibility in which reduction of the deficit and debt be considered top priority. There are indications within the discourse that political actors have become increasingly accepting of the idea that the deficit and debt pose a significant problem requiring our full attention (Simpson, 1994:791). Furthermore, many executives of small businesses in Canada believe that government finances should be the country's premier concern (Aarsteinsen, 1988:B3). Although deficit cutting will be unpopular many have come to the realization that such steps are necessary to ensure stable long term growth (Rusk, 1991:B10). With such endorsements, making reduction of the deficit and debt the government's number one priority is seen as the only moral and financially prudent thing to do. What is needed is a program that directly addresses the problems of the federal deficit and accumulation of national debt. It is therefore recommended that such a program become part of a fundamental vision and agenda for Canada's future (MacDonald, 1989:A7).

Unconventional measures may be warranted to achieve the significant reductions in deficits and debt that are required for Canada to return to some degree of fiscal realism. The government has already exhausted the traditional routes of raising taxes and trimming its operations to reduce the deficit and debt, thus, Canadians are alerted that drastic actions must be taken if we are to see any significant improvement in our financial situation (Welsh, 1992:B2; Freeman, 1992a:B1; Canadian Press, 1989b:B6). The sheer enormity of the fiscal imbalance itself justifies the use of ambitious measures that attack the problem at its core and set more fundamental changes in motion (Farrow and Robson, 1989:A7). The government is being driven by fiscal necessity to look, with unprecedented vigor, for ways to save on expenditures and bring its finances under control (Simpson, 1995:A20 ; Welsh, 1992:B2). Desperate times call for desperate measures and the major problems posed by Canada's deficit and debt suggest that unconventional actions are warranted to prevent further deterioration of our fiscal situation.

Canadians must create a long term vision of how big the national debt should be with the understanding that the deficit and debt problems we have created will not go away on their own (Freeman, 1995a:B1). It will take a lot of time and patience to bring the deficit and debt down to manageable levels, as is required. The discourse advises us to be prepared for serious and rigorous deficit and debt reduction strategies that may well prove to be enduring additions to our federal financial plans.

FIGHTING INFLATION AND INTEREST

As the discourse of fiscal crisis explains, decreasing the debt and deficit in Canada will also require a war on inflation and a lowering of interest rates. When the national debt becomes increasingly large it leads to expectations of higher inflation. Concern over the possibility of inflation in turn leads to higher interest rates as lenders attempt to protect the value of their savings. These higher interest rates may deter investment and consequently result in decreased growth and employment for Canadians (Savoie, 1993:52).

In addition to the negative consequences high interest rates hold for investors, the discourse informs us that high rates of interest also add directly to the cost of servicing the national debt. Interest payments on the national debt account for a substantial portion of federal expenditures, compromising our fiscal flexibility and constraining our ability to spend in other areas (Milner, 1991:B4; Freeman, 1990:A2; Farrow and Robson, 1989:A7; Waddel, 1988:B5; Patterson, 1987:B9). Public debt charges are Canada's largest single spending program, the only program that lies beyond the power of the politicians to cut (Thorsell, 1993b:D6). The discourse reports that Canadians have to find almost twenty billion dollars a year just to pay for the interest on the debt that has been accumulated. Often we must borrow more money to keep paying that interest (Little, 1992b:B18). Thus, uncovering some way to control interest rates could potentially save Canadians billions of dollars.

In the past, attempts have been made to control interest payments on the debt by shrinking the real size of the debt through increasing the money supply or, in other words, adding to inflation. The discourse points out that this strategy will not work in today's world of integrated capital markets. Resorting to inflation would result in lower rates of interest for only a brief period of time. The markets would quickly respond by increasing nominal interest rates to reflect the higher rates of inflation and as a result, payments on the debt would remain relatively unchanged (Grubel, 1992:14). It is also noted that any efforts to decrease the relative size of the debt by means of increasing inflation could pose serious risks for the fiscal stability of the nation (Richards and Watson, 1994:26).

Present economic times, according to the discourse, dictate the need for an alternative strategy to aid our fiscal recovery. Because, as the discourse indicates, the government has little direct influence on interest rates -interest rates are seen as the product of external factors affecting world financial markets over which Canadians have little control- the best way to guarantee that interest rates will remain low is to follow a monetary policy that is committed to low inflation (Freeman, 1994c:B1). By keeping inflation low the government is better able to prevent investors from worrying about the value of their investment. Strong commitment to an anti-inflation policy will provoke confidence among investors. They will begin to feel that their financial assets are secure and consequently they will not have to demand the added protection of high interest rates. Although the fight against inflation may mean increasing the level of unemployment, according to the discourse, job losses are likely to be only temporary and pose far less of a threat to the economy than the prospects of inflation (McQuaig, 1995:155).

The discourse illustrates that the Bank of Canada believes that price stability is a crucial element in rebuilding confidence in the economy and therefore adheres strictly to its policy of low inflation (Freeman, 1994d:B1). Keeping inflation to a minimum is seen as the only way to decrease interest rates and generate widespread confidence that inflation will not pose a threat in the future (Freeman, 1992b:B3). Investors want to be confident that government policies are on the right track, and it may take them a while to believe we have really tamed our risk of inflation. Keeping inflation low and gaining control of the deficit and debt help to ensure that Canada remains an attractive place for investments (Milner, 1995:B1).

The discourse of fiscal crisis indicates that overall, Canada's fight against inflation has been quite successful. The government has stuck to its anti-inflation program, meeting and sometimes exceeding the inflation targets that it set for itself (Freeman, 1993b:B1; Corcoran, 1991a:B2). In 1992 Canada was praised for having the lowest inflation rate of all the G7 countries (Fagan, 1992:B1; Cook, 1991:B8). The low inflation policy was also lauded for contributing to the increasing competitiveness of Canadian companies (Canadian Press, 1993b:B3). Despite our progress on the inflation front, in order to maintain our competitive edge in the international market, it is suggested that we preserve a rate of inflation of 0-2% (Little, 1991a:B5). And although international agencies such as the IMF have been favorably impressed with Canada's achievement of virtually eliminating inflation, Canadians are still warned that we should not let up in the vigilance of our fight (Moskau, 1994:B1; Milner, 1991:B4). One of the most important actions we can take to improve our fiscal situation is to ensure that inflation remains in check.

THE CUTTING SPENDING SOLUTION

The discourse of fiscal crisis predominantly identifies direct cuts to social spending as the only real solution to our budgetary imbalance. The discourse illustrates that our governments do not have enough money to fund even the most basic of programs, thus, commitment to controlling spending is seen as critical to the credibility of any fiscal plan (Raymond, 1990:B6; Farrow and Robson, 1989:A7). Although cuts to spending are often unpopular, most economists are in agreement that it would be nearly impossible for government to bring the debt and deficit under control without resorting to dramatic spending cuts (Greenspon, 1993:B6). Since Canadians have been “taxed out” - as previously discussed - the kinds of budget surpluses needed to reduce the debt can only come from a reduction in expenditures.

The prospect of a sustained economic boom that would allow us to grow our way out of our fiscal problems is seen as very unlikely, therefore, it is recommended that, for the well being of the nation, we look critically at reorganizing our programs and put our expenditures under serious scrutiny. We need to examine those areas in which spending is growing and determine viable ways to reduce needless expenditures in order to balance our books. The discourse informs us that social programs and services will have to be cut if we really want to wipe out the deficit and start trimming the debt (Cernetig, 1993:D3; Canadian Press, 1993:B6; Appleby, 1993:A4). It is suggested that Ottawa set ambitious targets for controlling spending and legislate limits for expenditures on items other than

debt servicing (Grubel, 1992:16; Drohan, 1991:B1). It is also advised that substantial sums be shaved off the amounts that government transfers to individuals and organizations (Freeman, 1992c:B2; Rusk, 1991:B10). So, despite their consequences, spending cuts are illustrated to be the only practical and effective formula for significantly reducing the deficit and debt.

The discourse goes on to explain that all levels of government have begun to acknowledge and emphasize the need for spending restraint (Little, 1992a:B1). Most Canadian business leaders are reported to advocate cuts to spending as the most effective solution to our budgetary problems (Kohut, 1989:B1; Dow Jones Service, 1989:B3; Aarsteinsen, 1988:B3). In general, Canadians are said to be increasingly accepting of the idea that such cuts are needed in order to begin to come to terms with the deficit and debt situation (Dinning, 1997:A17; Feschuk, 1993:B4).

If the ministry of finance really wants to be prudent in reducing deficits it is recommended that deep and enduring cuts be made to spending (Little, 1994e:B3; Little, 1993d:B1; Canadian Press, 1989a:B9). Deficits are likely to resume in the long term unless permanent structural changes are made to the key expenditure areas (Little, 1994b:B3). Thus, even as the deficit begins to fall, continued determination to reduce spending is considered to be warranted to bring the country's debt to GDP ratio down to more comfortable levels (Moskau, 1994:B1; Corcoran, 1992:B2). A continued assault on the deficit and debt, through cuts to programs, is needed if we are truly concerned about maintaining the stability of the fiscal system (Greenspon and Ha, 1995:A1). Real and fundamental progress in bringing the debt and deficit down is depicted as a lengthy but necessary process that will take time, patience and sacrifices on the part of everyone.

LOWERING OUR EXPECTATIONS

The final and perhaps most invasive solution recommended by the discourse explains that all Canadians must come to support the principle of a balanced budget. As well, all Canadians must be prepared to make the sacrifices that are necessary to achieve that goal. Canadians have to become more concerned about the long term consequences of government debt, as well as more receptive to the specific changes required to reduce the deficit and attack the debt (Coté, 1993:16). A return to fiscal integrity will only come about after the public has realized the gravity of our budgetary situation and has shifted its attitudes about what government is able to do for its citizens.

All Canadians need to cut back on their consumption of public goods and services and begin to decrease their expectations of what their governments can provide for them. We can no longer afford the luxury of assuming that the government will come to our rescue when we need help (Canadian Press, 1990b:B2). Such adjustments in behavior and attitude can be painful, especially when we have become so accustomed to the generosity of our programs and services, but we should be comforted in the knowledge that all Canadians must share equally in reducing the burden that we have created for ourselves (Freeman, 1993c:B6). The sooner that all Canadians come to their senses and accept the fact that government must live within its means, the better off we all will be.

This chapter outlined the discourse of fiscal crisis as it was portrayed in the *Globe and Mail* between 1986 and 1998. In the next chapter we analyze the themes presented here, and show that they formed the basis of what became a moral panic surrounding deficits and debt in Canada.

CHAPTER 4 : CREATING A MORAL PANIC : THE CASE OF THE CANADIAN FISCAL CRISIS

As shown in chapter three, the debt and deficit discourse has played a predominant role in the media coverage of federal problems and policies. The campaign that has promoted the reduction of deficits and debt has been quite effective in raising fear among Canadians about the financial well-being of their nation. The campaign has also been used successfully to justify the dismantling of our public institutions and programs.

Although most Canadians are familiar with the rhetoric of the deficit and debt displayed in the mainstream media, there is an alternate interpretation of our federal financial affairs. This alternative receives considerably less attention and is rarely included in any of the widespread commentary on Canada's future stability. This chapter will help to give a voice to those alternate aspects of the debate that have been hitherto relatively silent. In so doing, the argument will be made that a moral panic has been created around deficits and debt in Canadian society. All of the elements integral to the creation of a moral panic, as outlined in chapter two will be explored with reference to the discourse surrounding the deficit and debt in Canada.

This chapter's examination of the nature of the debt and deficit discourse will illustrate that warnings of the impending fiscal crisis were spread by the media as the situation became defined as a threat to societal interests. It is also argued that the media

have provided the public with a distorted and exaggerated analysis of the debt and deficit situation. Diagnosis of and solutions to our fiscal problems contained within the discourse will be shown to have encouraged and to a degree, precipitated various measures of control. The panic will be demonstrated to have been reinforced until the desired outcomes of such measures of control were believed to have been achieved. Let us now trace how the discourse described in chapter three helped to create a moral panic surrounding deficits and debt in Canada.

MEDIA SPREADS “THE WARNING”

A moral panic begins as the emergence of a condition or episode becomes defined as a threat to societal values and interests. The accumulation of deficits and debt by the federal government provided the seed for such a moral panic to ensue in Canada. The mass media played a key role in spreading warnings of the impending fiscal catastrophe. As chapter three illustrates, the discourse about deficits and debt in the *Globe and Mail* in the late 1980's, reveals that Canadians were alerted to the possibility that the country was headed towards financial disaster. The media brought to our attention the idea that our deficit and debt were becoming too large and would soon be out of control. According to these accounts, the nation's indebtedness threatened our competitiveness, financial stability and even our freedom to be able to choose the kind of society we want in the future. Thus, the deficit and debt arose as a topic of concern that endangered the Canadian way of life.

Warnings of the impending fiscal catastrophe, as spread by the media, encouraged Canadians to begin thinking about how long we could sustain continued increases in the deficit and debt. Such warnings suggested to Canadians that measures must be initiated to reduce the size and burden of the federal deficit and debt. The media provided initial indications that spending cuts to programs may be needed to accomplish these goals. The belief that we may no longer be able to afford our ‘costly’ welfare state because it is a drain on our scarce resources was promoted to Canadians. The prevalence and severity of the warnings that accompanied the moral panic in its infancy helped to prepare Canadians to face the many years of wrenching change that awaited them in the process of restoring balance to the national fiscal accounts. As the panic progressed the media continued to play a pivotal role in describing the catastrophe itself. Now let us examine how many of the themes contained within the discourse led to an inflated sense of urgency regarding the Canadian fiscal situation.

THE CRISIS DEPICTED IN A “DISTORTED AND EXAGGERATED FASHION”

The media perform a key function in bringing the condition or episode on which the moral panic is centered, to the attention of the public. In particular, the news media can greatly influence the shape and substance of the panic by what they mention, or for that matter, by what they fail to mention in their reports. Our examination of the *Globe and Mail* between 1986 and 1998 revealed that the media response and official reaction to the deficit and debt situation in Canada was tremendous. It was mainly through the

news media's constant reiteration of the idea that the country was in a debt crisis that concern over Canada's financial stability even entered the consciousness of Canadians. Reporters and commentators tirelessly promoted the idea that the deficit and debt were becoming so large that there was no other alternative but to cut back our spending on social programs. Given enough promotion and promulgation, such incessant calls for fiscal restraint tended to take on a quality of inevitability (McQuaig, 1995:13).

As we shall see, although the media did provide a detailed picture of the deficit and debt for public consumption, the media's reports were usually somewhat distorted and exaggerated. Certain aspects of the debate surrounding the Canadian fiscal crisis were over-emphasized while other interpretations were left relatively unexplored. These media reports also depicted the deficit and debt situation as a severe threat to the values and interests of all Canadians. Overall, media response and official reaction to the deficit and debt may be seen as disproportionate to the actual severity of the problem.

In order to elucidate the important role that the media play in the creation of a moral panic, the themes contained within the discourse of fiscal crisis, as presented in the preceding chapter, will be examined and analyzed for their specific contribution to the distorted and exaggerated nature of the moral panic surrounding deficit and debt in Canada. In so doing, a more sober and realistic appraisal of Canada's financial status will be achieved.

THE DEFICIT AND DEBT SITUATION ... HOW BAD IS IT REALLY ?

The prevailing wisdom of the discourse of fiscal crisis suggests that Canada's debt has reached alarming proportions, increasing the potential of a credit crisis and a loss of the nation's sovereignty. Such notions are often inaccurate and misleading. It is important to ask, on what basis have the deficit and debt been calculated. The term deficit when used in reference to government finances simply refers to the difference between total government expenditures and total government revenues within a given budgetary year. When the government's expenditures exceed its revenues there is a deficit and conversely, when government revenues exceed its expenditures the result is a budgetary surplus. The debt represents the accumulation of any such deficits year after year less any surpluses year after year, that are applied to that debt (Chorney, 1987:3, 4). Thus, the deficit is a measurement, whose size can vary depending upon what is included in or excluded from its calculation.

There are two main methods used by the Canadian government for calculating the deficit that tend to yield very different results. The most publicized measure of the deficit is the "Public Accounts" method. The Public Accounts method of deficit calculation makes no distinction between government expenditures on its operating costs -for items such as salaries, wages and pensions- and capital expenditures -on such things as roads, bridges, harbours etc.- that add to the public infrastructure, increase economic efficiency and can provide ongoing benefits overtime, (McQuaig, 1995:49). Combining all government expenditures together in this way can overstate the deficit problem. This can

give the illusion of an extremely large deficit, making it difficult to generate enough revenue to pay for all of the expenditures in only one year.

Capital expenditures, which contribute to the future revenue of the government by either directly or indirectly enhancing the future income of Canadians are clearly different from those expenditures that go towards year to year operating expenses. Thus, some propose that a less misleading picture of the deficit would emerge if government spending were broken down and reported based on separate current operating and capital accounts. The second of the two methods of deficit calculation, the "National Accounts" method, does take such differences into consideration and as a result gives us a much leaner looking deficit.

Media commentators who report on the debt often fail to consider that the debt also represents the collective wealth of assets (i.e. roads, hospitals, schools etc.) owned by the public sector in Canada. Canada's debt is used to help finance the expansion of the public asset base, either directly by increasing the country's physical stock of capital or indirectly through the production and maintenance of a healthy, educated and skilled workforce (Chorney, 1987:7). Appropriate estimates would suggest that the value of the assets owned by the federal government considerably exceed the size of its debt (Eisner, 1987:1577).

Many reports on the magnitude of the deficit and debt have left the impression that Canada is teetering on the edge of a severe credit crisis (i.e. lenders consider Canada a risky place to invest). Canada however, remains a prominent and prosperous country, one that is unlikely to encounter a credit crisis at any time soon as the result of its debt levels. Although some of our debt is held by foreigners the vast bulk of our debt is owed

to Canadians in the form of bonds. Anyone who purchases a bond is participating in funding Canada's debt. Canadians also put money back into the economy by spending the interest they earn on those bonds and by paying taxes on that interest (Dobbin, 1997:7).

Canadians should not be unduly worried about our ability to finance our debt in the future or about our national credit being cut off. A sovereign government can hardly default on debt that is held in its own currency as it always has the option of monetizing much of its debt if need be. And in general, states are thought to be very low risk borrowers; often, even the 'poorest' states can find international lenders (Workman, 1996:79). Canada's debt situation has been compared on occasion, to that of a third world country, which must continue to borrow money to meet its needs. This comparison leaves at least one key element unconsidered; unlike Canada, Third World countries face a formidable obstacle as the terms of their debt burdens are usually set by foreign banks and institutions over which they have little control. At the very least, Canada has the advantage of being able to dictate the conditions of its own debt as such lending institutions are typically within our realm of influence.

CONSEQUENCES OR CAUSES?

The discourse of fiscal crisis cites deficits and debts as a major cause of sluggish growth and productivity within the Canadian economy. So much attention has been concentrated on the 'horrendous burden' of our deficit and debt that it has become an

easy target upon which to blame all that ails our economy. However, the deficit and debt may be just as accurately interpreted as an effect or product of our sluggish economy. It stands to reason that a country with a strong economy -where nearly everyone is working, paying taxes and where productivity is high- would have little difficulty keeping their deficits and debt down.

In the case of Canada, the deficit should not be thought of as a cause of slow growth and productivity but rather, as an effect of these conditions; conditions that are a result of decisions and actions taken in the past by our business and political leaders (Cameron and Finn, 1996:18). For example, the decision made by the Bank of Canada in the late 1980's to follow a tight monetary policy, which resulted in unusually high real interest rates (the difference between the rate of interest and the rate of inflation) and led to decreased investment, also increased the actual cost of servicing the debt.

By controlling the amount of money in circulation, the Bank of Canada is able to indirectly influence interest rates and the economy, especially in the short term. The tight monetary policy pursued by the Bank of Canada to combat actual and anticipated inflation, restricted the funds available to be loaned and consequently the price of borrowing those funds rose. High real interest rates made it difficult for businesses to expand and hard for individuals to gain access to funds that would allow them to spend money and keep the economy going. With fewer customers and fewer dollars coming into the cash registers, many businesses felt compelled to terminate some employees or close their doors completely. As workers were evicted from the system, even fewer consumer dollars were available to be spent, and the downward spiral continued.

The result of these conditions was a recession in the early 1990's, which derailed the economy. Unemployment rose, wages fell as frightened workers moderated their wage demands, many desperate families were forced onto social assistance or driven to cut back on their consumption (McQuaig, 1995:71). With unemployment on the rise, the revenue generating capacity of the federal government was sent into decline. Fewer Canadians working meant the government received less revenue from taxes at the same time as its cyclically related expenditures, such as unemployment insurance increased. This left Canada operating well below its potential and vulnerable to deficits and debt accumulation.

Although the Bank of Canada's policies have successfully decreased the degree of inflation in the economy the consequences of such policies, in terms of increasing unemployment and discouraging growth have been disastrous. Claims that the deficit has hindered our nation's competitive stance by dragging down economic growth ignore the role that tight money policies have played in pushing rates of interest up. These high interest rates expand the debt tremendously as interest payments on the debt that already exists increase. Thus, the stifled voices would argue that it was actually the tight monetary policy, initiated by the Bank of Canada to combat actual and anticipated inflation, that produced high real interest rates, made investment into the economy unattractive, depressed growth and ultimately contributed to the amassing of debt.

TAXED TO THE LIMIT?

The debt and deficit discourse suggests that Canadians have been ‘taxed out’. It is believed that the deficit cannot be reduced by raising taxes because the tax burden in Canada is already too high. Despite these protestations and others that assert taxes deter economic growth, less powerful voices suggest that taxation may still be a viable option for some segments of the economy to help bring down the deficit. While it is true that most ordinary Canadians are paying their fair share of taxes, the contributions of some wealthy individuals and profitable companies to federal tax revenues, have been less than relatively equitable. When all forms of tax are taken into account, the wealthiest Canadians are being taxed less than middle income earners and just slightly more than the Canada’s lowest income earners (Cameron and Finn, 1996:26). Progressive taxation based on the ability to pay (with the exception of income tax) has been abandoned in favour of a less equitable system in which all levels of income earners see about one third of their incomes going towards taxes from all divisions of government.

Tax loopholes allow profitable corporations and wealthy individuals to evade their responsibility to the rest of society. A study conducted by Statistics Canada in 1991 revealed that a significant portion of the debt (50%), accumulated up until that point (1991) was due to tax breaks given to the wealthy and to large corporations. Even after the Tories allegedly closed some tax loopholes in 1990, there were still more than sixty-three thousand profitable corporations not paying any income taxes (Dobbin, 1997:7).

Although closing tax loopholes could help to substantially reduce the deficit, many in the business community argue that increasing taxes on corporate profits or closing such loopholes would drive companies out of Canada and into the arms of countries with less burdensome corporate tax rates. Departing companies however, would find their options somewhat limited given the realization that twenty-four other countries have corporate taxation rates that are higher than those of Canada. For example, Japan has a corporate tax rate of 6.01% of GDP on profits, income and capital gains compared to Canada's rate of 2.14 %. The corporate tax rate in Mexico (2.87%) is also higher than that of Canada (Dobbin, 1997:11). Although 0.47 % below that of Canada, even the US enforces a minimum corporate tax rate (Cameron and Finn, 1996:25). While there is a general consensus amongst most 'ordinary' Canadians that tax increases are undesirable, at the same time most 'ordinary' Canadians agree that there is room to increase certain taxes for those high income earners who have been under-taxed (McQuaig, 1995:275). In the interests of creating a fairer tax system and a more equitable society, those who can afford it should be responsible for contributing their fair share to government financing.

As for the assertion that the tax burden on Canadians in general is too high, alternate voices note that in comparison to other countries in the industrial world, Canada's taxes are actually quite low. In 1992, taxes in Canada were calculated to be 36.5% of GDP, while the average industrial country's taxes were 38.9% of GDP (Brooks, 1995:25). The real question here however, is not if Canada's tax rate is too high, or how it compares to the tax rates of other countries in some absolute sense, but whether we are receiving value for our tax dollars.

Alternate voices remind us that taxes are really only the price we pay as citizens for goods and services such as health care and education that we as a society have decided are important enough to provide for everyone. When people actually stop to think about the price they pay in the form of taxes and the value of public goods and services that they receive in return, most recognize that they are getting a good buy for their taxes (Brooks, 1995:19). In the end the debate surrounding taxes really comes down to whether control over such important resources will be exercised by the private sector and paid for in the form of prices or whether they will be controlled by the majority of Canadians and paid for through tax dollars. This aspect of the debate has been largely left out of the realm of public discussion.

STATE AND INDIVIDUAL FINANCES STRIKINGLY DISSIMILAR

An analogy is commonly drawn within the discourse of fiscal crisis between state finances and those of the individual or household. In actuality, there are really no analytical grounds for drawing such a comparison. Generally, state finances bear little similarity to personal finances. The main reason for the disparity between the two types of finance lay in the fact that governments have a variety of revenue generating mechanisms at their disposal. This is a luxury which most individuals and households do not enjoy.

Most of the government's income comes from taxes. The government is able to set its taxes to produce more income or less depending on its needs. This gives the

government a fair degree of latitude in being able to dictate its own paycheque. Thus, unlike individuals who typically have limited ability to raise their incomes at will to any significant degree, government can, with relatively little effort, control the amount of revenue it has coming in (Cameron and Finn, 1996:9).

Moreover, individuals do not have the power to control the cost of their debts, yet the government, through its ability to command monetary policies has a considerable amount of influence over the financing and costs of its borrowing. A household must finance its debt from private financial sources such as chartered banks, trust companies and credit unions. As such, individuals are subject to the terms that have been set out for them by these institutions. The Canadian public sector on the other hand has access to the Bank of Canada. The Bank of Canada controls the money supply. Although creating money can have negative inflationary consequences, the government can finance debt, if it so chooses, by increasing the money supply. Thus, the individual with debt faces the real risk of financial insolvency, a risk which is rarely ever eminent for the public sector. The government also, does not have a finite lifetime, as does an individual, over which its borrowing and lending must balance (Workman, 1996:79).

It should also be noted, that the level of government debt can be affected significantly by the undulations that accompany the cyclical nature of the economy. Such changes in the economy at large are relatively gradual and generally predictable in nature. In contrast, the finances of individuals can change very quickly and with little prior notification. Although an individual's expenditures and income can be equalized much more quickly than those of the nation, so too can a sudden financial crisis, such as a job

loss, cause devastation to the individual that would be equitable with the collapse of the nation's entire economy (Workman, 1996:79).

Thus, although the analogy between individual and state finance seems convincing within the discourse of fiscal crisis, when evaluated separately, it is shown to serve very little analytical value.

RISKING THE FUTURE GENERATIONS A REINTERPRETATION

Frequently, the discourse of fiscal crisis attempts to appeal to the morality of its audience by suggesting that the current generation of Canadians' failure to act responsibly and balance the budget is placing an undue burden on future generations. It is the future generation that will eventually have to pay for present day excesses. This argument, as compelling as it may seem, neglects the fact that the current generation of Canadians is also leaving future generations a valuable legacy of assets and services. Contrary to what the discourse of fiscal crisis suggests, lesser deficits may prove to be the real culprit that places a burden on the future generations (Eisner, 1987:1582).

Deficits incurred in the present through investment in such things as scientific research, health care, education and public infrastructure etc. may be better interpreted as worthwhile investments into vital sources of capital, upon which future generations may draw. Present investments pave the way for future generations, ensuring that our children will be able to live in a society that has a sense of itself as well as a sense of collective responsibility (Brooks, 1995:27). It is difficult to put a price tag on the benefits that our

children may inherit from such investments, however, it is safe to say that future generations would be in far greater danger if present generation Canadians curtailed their investments. Effectively turning their backs on their children's' futures would only leave them the legacy of a society fundamentally void of resources, cultural values and equality.

WASTE NOT WANT NOT

The discourse of fiscal crisis identifies wasteful and undisciplined government spending as one of the key causes of Canada's financial woes. Contrary to media images that portray the government as a careless spender, Canada's spending on social programs does not appear to be overly generous when compared with programs and services provided elsewhere in the developed world. To reach the average level of social spending of the twenty four countries involved in the OECD (Organization for Economic Cooperation and Development) Canada would have to increase its yearly spending by nearly \$18 billion (Dobbin, 1997:3). Despite the fact that Canada's unemployment insurance system is touted as being "too generous", it places sixteenth on a list of nineteen developed countries. Only The United States, Britain and Japan rate worse (Dobbin, 1997:3). Thus, it should be kept in mind that our budgets are not out of line with those of most other industrial nations when reports are made pertaining to the 'extravagance' of our social programs.

Moreover, the spending practices of the Canadian government can hardly be thought of as wasteful when one considers the fact that expenditures on programs in

Canada have rarely exceeded government revenue since World War Two (Cameron and Finn, 1996:13). Ottawa's spending as a percentage of GDP has been dropping in recent years. Over twenty years ago (1975-76) the federal government spent 19.7% of GDP on programs, whereas only 17.8% of GDP was spent on programs in 1992/93 (McQuaig, 1995:116). Indeed, since the late 1980's Ottawa has been consistently collecting more in taxes than it has been spending on programs (McQuaig, 1995:117). If it were not bogged down by a recession and interest payments on the debt, the government could easily pay for all of its endeavors.

The argument that government is wasteful and inefficient is based on the underlying assumption that the private sector is efficient, responsive and could do a much better job than the public sector at ensuring the economy run smoothly (Cameron and Finn, 1996:7). Such an assumption has never been shown empirically. The government sector does have the ability to be wasteful and excessively bureaucratic, but clearly all large organizations, be they public or private, can display these same sorts of characteristics (Chorney, 1987:17). In fact, there exists compelling evidence to suggest that in many instances the private sector is far less responsible when it comes to budgeting and servicing the public than is the government. For the amount of attention that is centered around government deficits, corporations are much deeper in debt. The combined debts of \$ 1,600 billion owed by corporations, households and financial institutions is nearly triple the amount of money owed by all the levels of the Canadian government (Dobbin, 1997:11). Although privatization of key public services is said to be beneficial to all Canadians as they will be required to pay less in taxes, various studies have indicated that costs increase and effective service to the public decreases when

private operators take over affairs that were once the jurisdiction of the public sector (Dobbin, 1997:12).

As well as being a spender, Canada's government is also an important producer of wealth and economic activity. Most of the programs upon which governments have focused their efforts over the past few decades are not programs that benefit only a limited few or 'special interest groups' as the discourse would suggest. Rather, they are programs that benefit all Canadians, such as health care and education (Brooks, 1995:13). These types of public programs play a key role in redistributing resources from the wealthy to those with fewer financial assets. The private marketplace on the other hand, has a tendency to keep wealth in the pockets of the well-to-do. Hence the claim that our social programs are 'extravagant' simply means that as a society we have been engaged in a fair deal of redistribution (McQuaig, 1995:271). Although governments do provide 'specialty' services, they also provide the types of services that people need most. The best way for the majority of Canadians to have equal access to essential services is to maintain the open, collective control of the public sector.

THE CULTURE OF DEPENDENCY REVISITED

The discourse of fiscal crisis promotes the idea that years of careless spending have caused Canadians to become overly dependent upon government assistance. It is suggested that by cutting back on our social programs we will be able to transform our allegedly dependent citizenry into a population of vigorous and self-sufficient individuals.

Less well promoted is the idea that cut backs are unlikely to affect the degree of dependency of individuals within the nation (McQuaig, 1995:7).

Given the fact that investments into human resources have played a key role in the nation's prosperity, eliminating or decreasing such investments would not seem to be the best way to ensure that individuals become productive members of society. If anything, cutbacks could increase the dependency rate as reduced investment in the economy will lead to greater inequality, fewer jobs and more individuals requiring assistance. Although the discourse implies that individuals should be exclusively self-sufficient, we would be amiss as a society not to also consider the complex relationships of interdependency that bind us together as a society.

SHOULD THE DEBT AND DEFICIT BE OUR NUMBER ONE PRIORITY?

The discourse of fiscal crisis suggests that the overriding objective of government policy must be to eliminate the deficit and bring down the debt. Although deficits and debt can pose a serious problem, attacking the deficit as is suggested through dramatic cuts to programs may not be the best way to negotiate our financial future.

As was noted earlier, deficits themselves are not all bad. Government deficits should be significant to the extent that they help to stimulate the economy and create wealth. Thus, seen in the light of the need to create jobs and promote growth, deficits can in fact have positive and constructive effects on the economy. Perversely, many of the deficit reduction strategies that have been introduced in recent years, such as cutting

social programs and fighting inflation through the employment of high interest rates, have actually weakened the economy, driving up the deficit and debt (Cameron and Finn, 1996:7). Raising Canada's real interest rates beyond the rate of the country's economic growth allows the debt to grow faster than our tax revenue and therefore, our ability to pay it down. The government must then resort to borrowing money just to meet its interest payments. Such a scenario produces a growing national debt and poses a serious problem for public finance. Although further spending cuts to reduce the deficit may seem sensible at first, they only worsen the situation as they decrease the capacity to repay accumulated deficits (Cameron and Finn, 1996:7).

As long as people remain unemployed and productivity remains low it is inappropriate to contemplate the types of deficit reduction strategies explained above. Decreasing the deficit in these ways will only serve to compound the problem by decreasing growth, increasing unemployment and leaving us with larger deficits than those with which we began. Therefore, rather than attempting to slash government expenditures, government outlays could be used to stimulate the economy and help us to grow our way out of deficits and debt.

THE IMPORTANCE OF INTEREST AND INFLATION

According to the discourse of fiscal crisis, the government needs to remain strongly committed to a policy of low inflation if it wants to provoke the type of confidence among investors that will keep interest rates down and restore Canada's

financial stability. What is not frequently alluded to within the discourse however, is the fact that by focusing its efforts on battling inflation the Bank of Canada can actually hinder Canada's financial recovery. Decreasing inflation can have the effect of dampening the economy and can result in high real rates of interest adding significantly to our debt burden. It is the policy of high real interest rates and not the deficit itself that has been the source of our recent financial problems.

More than the need to control inflation, high real rates of interest pose a legitimate problem when it comes to controlling the size of the deficit and debt. High real rates of interest both discourage investment and expansion as such projects become too costly and add directly to the burden of debt servicing. The hardship of anyone borrowing money is increased when interest rates are high and in the case of Canada, no one in the country borrows more money than the federal government (McQuaig, 1995:106). Indeed, 93% of the federal debt since 1987 is a direct result of the high real interest rates of the late 1980's and early 1990's (Cameron and Finn, 1996:18).

The decreased growth fostered by the war on inflation also served to generate unemployment. This too contributed to the deficit, as discussed previously, by decreasing income tax revenues and increasing unemployment insurance and welfare costs. As long as real rates of interest remain higher than the rate of economic growth, the debt burden will accumulate faster than our ability to pay it off (McQuaig, 1995:117). Even with cuts to social spending and increases in taxes, keeping up with debt growth when real rates of interest are high is a formidable task. Thus, far more than has been appreciated within the media, the Bank of Canada's war on inflation has been a crucial factor contributing to Canada's fiscal problems in recent years.

Despite the fact that the Bank of Canada's fixation with low inflation was a major contributor to Canada's financial difficulties, the inappropriateness of such an approach to deficit and debt reduction was rarely included in mainstream discussions. The debate over deficits and debt instead concentrated almost exclusively upon the need to cut spending and social programs in order to restore our fiscal integrity.

IS CUTTING SPENDING THE SOLUTION?

Cutting social spending was the predominant method outlined by the discourse of fiscal crisis to help Canada deal with its budgetary imbalance. This approach to deficit and debt reduction may be seen as somewhat unwarranted given the fact that a relatively small portion of the accumulated government debt can be attributed to spending on social programs. As was previously noted, the federal government's spending on social programs was not particularly high relative to its expenditures on interest payments during the period in which the debt was accumulated. In fact, federal government spending on programs and services has been growing more slowly than all other spending in the economy (Cameron and Finn, 1996:12). Evidence shows that far from being the main culprit of Canada's accumulated national debt since the mid 1970's, government spending was responsible for less than 10% (Workman, 1996:43). Some alternative voices have pointed out that most of Canada's debt is attributable directly to lost corporate tax revenues (50%) and to interest charges on the debt (43%) (Cameron and Finn, 1996:14 ; Workman, 1996:43).

Governments that decide to cut spending in an attempt to bring down deficits and debt may find that they have only worsened the situation. Spending cuts administered at inopportune times, such as when unemployment is high and incomes are falling will only serve to slow productivity and economic prosperity even further (Cameron and Finn, 1996:13). Social programs provide us with the benefits of a more equitable society. Financed by the taxes of everyone, social programs help to narrow the gap between rich and poor. Governments that remove or weaken such programs that benefit the collectivity are really only fostering social inequality. The well-to-do will still be able to afford the best services while the poor and even the middle class are forced to get by using inferior services, or no services at all (Dobbin, 1997:2). Thus, reducing social programs has the effect of further punishing lower income groups who have already suffered from the recession. For example, cutbacks to welfare and unemployment insurance negatively impact individuals who have already lost their jobs in the economic downturn.

Although government spending is frequently identified by the media as the key culprit in the creation of our deficit and debt problems, it is not the cause of our fiscal dilemmas and as such would seem to be an inappropriate target for deficit reduction. Instead of lowering interest rates or imposing extra taxes on those who have benefited from high rates of interest the response has been to cut social programs.

MUST WE LOWER OUR EXPECTATIONS?

The discourse of fiscal crisis explains that Canadians must come to the harsh reality that the federal budget needs to be balanced. This includes adapting our welfare state to a bleaker economic reality and learning to lower our expectations about what government can provide for its citizens. If indeed our fiscal situation was as dismal as the discourse led us to believe, such a proposal would not have been such bad advice in the short term. However, given the information that has been presented in this chapter there is very little evidence to suggest that we need to lower our expectations about what government is able to do for us. As the alternative voices have suggested, the debt and deficit were not so much products of overspending, indulgence and living beyond our means as it was the insidious outcome of the tight monetary policies that have been commanding our economy in recent years.

In summary, it appears that although the media have been successful in bringing the topic of deficit and debt reduction to the attention of the public, the issues have been presented in a distorted and exaggerated fashion. Such a depiction has resulted in the misrepresentation of the severity of the problem. The moral panic surrounding Canada's fiscal crisis portrayed the size of Canada's deficits and debt as extremely menacing and threatening to societal values when, in actuality, it was the proposed solutions to the fiscal crisis that posed the greatest danger to the values of social responsibility and equality that most Canadians hold.

FISCAL CRISIS AND THE UNIFORMITY OF DISCOURSE

In addition to the way in which the media has tended to present an exaggerated and distorted view of Canada's financial conundrums, it is important to the notion of moral panic to recognize that the media has also assumed a somewhat consensual view of society in its portrayal of the situation. This has resulted in some voices in the debt and deficit debate receiving consistent attention while other interpretations have remained relatively marginalized.

It has been noted that in the process of creating a moral panic the media often assume a consensual view of society in which all individuals are presented as having roughly the same interests (Hall et al., 1978). The panic surrounding deficits and debts in Canada has been portrayed within the media as a unitary battle against a common foe, whose defeat promises to be in the best interests of everyone. This clouds the realization that all members of society are not affected equally by the quest to lower deficits and debt. For instance, those who are unemployed or those who are at risk of becoming unemployed are hurt much more by the measures taken to curb inflation and debt than are those individuals who are relatively financially secure (McQuaig, 1995:140).

The discourse of fiscal crisis helps to set the tone for discussions about the debt and deficit. It has, moreover created a uniformity in the types of subjects that should be discussed when considering issues pertaining to Canada's financial situation (Workman, 1996:30). Thus, such discussions should logically include such things as the immense

size of the debt and the need to bring it under control. A retreat from extravagant social spending combined with a war on inflation and a lowering of public expectations are the typical solutions outlined within the discourse as being available to a fiscally responsible government. In general, the debt and deficit discourse offers a unitary account of Canada's so called "financial crisis" and proposes solutions that largely involve the rollback of the Canadian welfare state.

In securing which aspects of debt and deficit are talked about, alternate interpretations of the debt and deficit situation, such as those presented in the preceding sections remain on the fringes of the debate or otherwise, are charged with not addressing the real problem. For example, despite the fact that high interest rates have been the driving force behind the deficit, prevailing wisdom has identified social spending as the problem that needs to be attacked (McQuaig, 1995:118). None of the commentators who were preaching the urgent need for deficit reduction suggested the prospect of tapping into corporate coffers to help reduce the deficit in these difficult times (McQuaig, 1995:275). Although some counter representations do appear within the media they tend to receive very little attention. As such, these sorts of interpretations rarely enter the stock of common knowledge. Thus, they become easy targets for condemnation.

The discourse of fiscal crisis ensures that there is primarily one way for events to be viewed. To question the discourse's basic tenants is to irresponsibly disregard the overwhelming threat that the deficit and debt pose to Canadians (Workman, 1996:30). Thus, any group that would continue to press for spending, despite the dominant discourse's warnings to the contrary, would be labeled negligent and shunted to the periphery of the debate. Our obsessive focus on primarily one interpretation of our fiscal

situation has essentially closed off the debate to those with competing ideas. This unitary vision has also played a large role in the relatively unconstrained implementation of solutions that are fundamentally inappropriate to the problem at hand.

Having established that the media warned the public of the impending fiscal crisis and presented a uniform, yet, distorted and exaggerated picture of the situation, we shall now move on to see if the debt and deficit campaign brought about measures of control.

MEASURES OF CONTROL

Beyond warning the public of the impending catastrophe and providing a picture of the event for public consumption, moral panics initiate calls for control of the threatening problem. Many of the reports made within the discourse of fiscal crisis justify that something of a public nature be done to control the devastating effects of growing deficits and debt accumulation. Depictions of the debt spiraling out of control and headed towards the virtual disaster of a credit crisis in which Canada could lose its sovereignty more than amply warrant the evocation of public policies that could help save us from our dreadful financial fate. The discourse explicitly suggests that if Canadians want to avoid international dictates, the public must deal with its deficit and debt dilemmas before it is too late. In addition, frequent comparisons of Canada's financial situation to personal finance and illness allow the deficit and debt to be viewed as something that can and should be controlled. Overall, deficit and debt reduction is portrayed by the media as an urgent matter requiring the utmost of assiduousness. The notion resulting from such a portrayal is that Canadians would either have to be crazy or

just plain careless not to do something of a public nature to get a handle on the deficit and debt.

Having justified that something of a public nature be done to control the deficit and debt, the discourse goes on to ensure that measures of control are called for and eventually brought about as the public becomes increasingly aware of the problems it faces. Through constant reiteration within the media, the need to decrease deficits and debt is brought to the attention of Canadians. The discourse encourages Canadians to find the courage to make the sorts of tough decisions that will bring the deficit under control. The discourse of fiscal crisis also calls upon the current generation of Canadians, asking that they not burden future generations any further by prolonging the inevitable cuts to spending that are required to balance the budget. There are also indications within the discourse that, overtime, Canadians have become more attuned to the gravity of Canada's financial situation and increasingly agitated with the wastefulness of government spending. At the height of the moral panic, in the early 1990's, the discourse began to suggest that everyone was getting on board the 'deficit and debt band wagon'. It is noted that political actors of all stripes began to acknowledge the need for spending restraint as their awareness of the problems that the deficit and debt posed for the country heightened. Such increased awareness on the part of Canadians helped to foster a culture of control around the deficit and debt.

Measures of control are then called for as the discourse of fiscal crisis explains that deficit and debt elimination should become a key objective of federal fiscal policy. Since the discourse indicates that raising taxes is not a viable option to help bring federal finances under control, programs are called for that directly address the problem of

deficits and debt through alternate avenues. Along with battling inflation, cutting spending was the primary solution identified by the discourse to cure our budgetary imbalance. It was suggested that such measures of control be implemented as a part of a fundamental agenda for Canada's future.

Frequently, when concern develops around a particular issue or event agencies are set up to monitor the problem. Such agencies have the ability to keep records and provide proof, if needed, that the problem in question is being apprehended. One way in which this may be exemplified, in the case of the Canadian fiscal crisis, is Finance Minister Michael Wilson's announcement in 1991 of the formation of a fund dedicated solely to the purpose of debt servicing. Specifically, the debt fund was intended to legislate mandatory spending limits on future government expenditures. It also functioned to receive and monitor all revenues from the GST as well as proceeds from privatizations and individual donations, ensuring that all such funds were allocated directly to bringing the public debt under control (Freeman, 1991:A6). One particularly unique development arising from the deficit and debt panic was that for the first time members of both the federal government and the Bank of Canada came together to form an alliance that would set targets for decreasing national inflation. Inflation rates were to be closely monitored to ensure such targets were being met (Freeman, 1991a:A1). Thus, there is adequate evidence to suggest that the moral panic surrounding deficits and debt in Canada did result in the formation of measures of control and agencies being set up with the purpose of monitoring the problem.

THE LANGUAGE OF MORAL PANIC

The creation of a moral panic typically involves the use of highly emotive and rhetorical language and to some extent also draws on cultural stereotypes and common sense to get its message across to its audience. Likewise we find these same elements incorporated into the moral panic surrounding Canada's deficit and debt.

The debt and deficit discourse is particularly emotive and rhetorical in the way that it dramatically illustrates the potential harmfulness of our fiscal imbalance. Eloquent reports constantly warning Canadians of the horrendous size and dire consequences of its deficit and debt help to insist that something must be done to bring our finances under control. Headlines such as "Canada's Debt Heading For Disaster" (Griffin, 1986:A7), "Alarms Should Be Sounding Over Canada's Foreign Debt" (Murenbeeld, 1987:A7), "The No. 1 Threat to Canada's Future" (MacDonald, 1989:A7) and "Analysts Fear Financial Pandora's Box: Canada Will Stay Under Watch as Markets Gauge Effect Of Deficit" (Freeman, 1995b:A10) help to evoke anxiety and fear amongst Canadians about the future financial well-being of the country. Still other reports aim primarily at shocking Canadians with their gratuitous accounts of frighteningly large debt and deficit figures. Telling examples include "\$65,000 A Minute: That's How Much The Debt Costs Canadians" (Raymond, 1990:B6), "Deficit Hits A Record 40.5 Billion: Martin Vows a Line By Line Review Of Spending" (Freeman, 1993d:B1) and "\$Trillion Dollar National Debt Foreseen: CMA Urges Ottawa To Go For Spending Cuts Not Tax Hikes" (Canadian Press, 1993a:B2).

The discourse may also be seen as emotive in the sense that it can provoke guilt among citizens for the supposed irresponsible manner in which they have allowed deficits and debt to 'balloon out of control'. Canadians are persuaded that they should feel badly about the 'opulent lifestyles' they have led in comparison to those elsewhere in the world. Another emotion mobilizing device frequently found within the discourse is the notion that the current generation of Canadians is leaving an unconscionable burden of debt to their children, stirring emotions of moral obligation and responsibility.

The discourse of fiscal crisis may also be seen to draw heavily on a language of nostalgia and common sense. Much of the rationalizing strength and power of the discourse comes from its resonance with widely held understandings of the world that appeal quite readily to most Canadians (Workman, 1996:32). Through the process of translating unfamiliar issues into the domain of the familiar world, the media is frequently able to influence the perceptions of their audience and perhaps even convince individuals to fight the problem addressed by the moral panic. Analogies made by the discourse, between the debt and illness and between personal and federal finance, tie in directly with western 'common sense' ideas about the value of self reliance.

In western culture, illness is usually dealt with by doctors who are professionals, specially trained to diagnose and treat medical conditions. Likening the debt to illness allows our financial situation to be put in the same type of management framework as sickness in the minds of most Canadians. Within this framework, experts within the world of business and finance, can propose diagnosis and treatments to deal with our

‘debt illness’ that resonate with familiar beliefs about the need and value of health and wellness in society.

The analogy between personal and federal finances also meshes well with common sense. Most individuals are accustomed with having to budget themselves and realize that consistently spending more than one earns can lead to serious financial difficulties. Common sense would lead one to believe that what is good for one’s own personal finances should also be good for the finances of the country. Thus, both managing the debt as if it were an illness and similar to one’s own finances makes sense in the minds of most Canadians and lends the deficit and debt discourse a sense of credibility.

The structure and content of the discourse are also consonant with generally well known stereotypes. For instance, the discourse frequently draws on the understanding that individuals on social assistance have failed in some way. Suggestions that the deficit supports consumption by unemployed, unproductive and unmotivated members of society (Murenbeeld, 1987:A7; Corcoran, 1992:B2; Appleby, 1993:A4) tend to concur with preconceived ideas many Canadians have about individuals who require government assistance. Gendered references within the discourse that stem from the overarching nature of patriarchal consciousness also help to bring authority and a definite ring of common sense to the discourse. In short, the discourse of fiscal crisis is not constructed around socially obscure understandings of the world but is created so that it may build on beliefs and conceptions of the world that are already in existence and familiar to most Canadians; constantly drawing on known social and cultural ideologies that have been secured over time to lend credence to its arguments.

THE ROLE OF MORAL ENTREPRENEURS IN THE PANIC OVER DEFICITS AND DEBT

When investigating a moral panic it is important to try to explain the economic interests and power of those involved in creating the panic. Moral panics in general are typically created by moral entrepreneurs attempting to create new rules when they become unsatisfied with those that already exist. While investigating whose interests the panic serves, it is important to recall that although the news media may be the ones spreading the word about the danger of deficits and debt -as was noted in chapter 2- the media are, for the most part, subordinate to the 'primary definers' of the situation. In the case of the discourse that has surrounded deficits and debt in Canada the media's position has been one that overwhelmingly corresponds with that of the business and financial elite -the moral entrepreneurs in question. (McQuaig, 1995:12).

The *Globe and Mail's* account of the deficit and debt frequently references organizations and think tanks such as the Fraser and C.D. Howe Institutes, which are accessed relatively easily by the media. The media often identifies Howe commentators as affiliated with the institute, but in order to give the message credibility, the institute itself is rarely ever identified as a lobby group for business and financial interests. By transferring the message into the mouth of an apparently independent, non-partisan and often expert source, the fact that the message has been funded by and operates in the interests of those who are pro-capital is effectively obscured (McQuaig, 1995:18). This is

compounded by the fact that developments in the financial markets are often difficult to decipher; taking them out of the realm of understanding for many 'ordinary' people who have become convinced that such issues are too complicated to understand and therefore better left to those same experts (McQuaig, 1995:213).

It is clear from the attack that has been waged upon public services that a shift of political power has been proposed and is occurring -out of the hands of the government and into the hands of large corporations. It is in the best interests of both powerful Canadian and foreign owned corporations to eliminate all barriers to their objectives; investment, trade, minimizing costs and achieving higher profits. Social programs and services are then, a legitimate target for a campaign of attack as they tend to pose obstacles for business by regulating the economy and increasing the cost of doing business. For instance, strong sovereign governments typically require businesses to follow minimum wage guidelines, meet health and safety standards, contribute to pensions and unemployment and obey environmental laws (McQuaig, 1995:6). Privatization of government services also receives a push as these services are attacked. Thus, the 'primary definers' of the debt and deficit scare tell us that there is really no sound alternative available to us, we must cut back the role of government in our economy by slashing spending on services. The implication of such an attack on public services is clear; the void left behind when services are cut will be filled by the take over of the private sector (McQuaig, 1995:11).

As governments continue to slash services and lose influence over the country's pursuits, Canadians are left as little more than private consumers, with limited ability to guide Canada's future in the direction they choose (McQuaig, 1995:15).

Bondholders and those with significant financial assets also have a stake in ensuring that societal pursuits satisfy their needs. In particular, high rates of inflation are a cause for concern among those with large financial assets. Inflation has the effect of eroding the value of assets overtime. Individuals with few financial assets, although not fans of inflation either, tend to regard it as a less serious problem than the high levels of unemployment and dampened economy that are produced by exceedingly low rates of inflation. Thus, in practical terms, the Bank of Canada's decision to promote and pursue the goal of price stability served primarily the interests of the financial elite (McQuaig, 1995:80, 81).

However, it should be noted that the interests of the financial community and the rest of the business community do not always coincide. Low levels of inflation tend to affect the two communities in different ways. Business is sometimes negatively impacted by low levels of inflation as they tend to lead to decreased growth and a decline in consumer spending in the marketplace. On the other hand, the business community does not generally mind the effect anti-inflation measures have on eroding workers' confidence and abating their wage demands. Moreover, business owners themselves often have significant financial holdings and therefore can benefit from an environment of low inflation (McQuaig, 1995:85).

Bondholders, more than anyone, have a special dislike for inflation. Their particular disdain for inflation stems from the fact that they typically loan large amounts of money for long periods of time, making them highly susceptible to the winds of inflation. Since bonds ordinarily have fixed rates of interest, rising levels of inflation that drive interest rates up may leave their money locked in at relatively lower rates of interest

(McQuaig, 1995:86). Although the bondholder has the option of selling the bond, a bond with a low rate of interest would be less valuable and may have to be sold at a loss (McQuaig, 1995:86,87). If however inflation were to fall, the bondholder could end up collecting relatively high rates of interest on their bonds, long after rates of interest in the economy at large had fallen. Thus, the interests of bondholders are quite unique, as they may prosper when the rest of the economy ails from a recession (McQuaig, 1995:87).

Throughout the moral panic, moral entrepreneurs center their efforts on identifying an evil wrongdoer on whom the blame may be fastened, for what they interpret to be a flagrant violation of some fundamental cultural value. The discourse of fiscal crisis predominantly identifies the frivolous spending and past luxuries allowed by weak politicians, catering to a dependent citizenry as the evil wrongdoer which has led to devastatingly large deficits and debt. Such extravagances are portrayed as having not only placed fundamental cultural values at risk, such as the ability to provide services for the public but have put the sovereignty of the entire nation in danger.

Within the discourse 'scare tactics' are used to help the public recognize the impending problem. For example, the discourse informs Canadians that the sovereignty of their nation may be at risk. At the same time, moral entrepreneurs claim that their plan for societal changes, in this case reducing the deficit and debt through the lowering of inflation rates and cutbacks to program spending, will lead to a better way of life for everyone involved. The ultimate success of the Canadian debt and deficit scare has hinged greatly upon the ability of its moral entrepreneurs to bring the situation to the attention of the public and promote it in such a way that obscures whose interests are really at stake.

THE CULMINATION OF THE PANIC

The final stage of moral panic involves the condition that prompted the whole panic changing shape. It must either deteriorate and become more visible, or disappear when people believe that the measures that have been taken to deal with the problem have had the desired results. With respect to the panic that has been created around the deficit and debt in Canada, two major developments are noticeable as the panic winds down. First, reports began to surface in the latter months of 1994 that Canada's financial situation was beginning to look a bit better. Such reports begin to take hold and gain strength as time goes on. A rosier outlook is predicted for Canada's financial future, investors are rumored as becoming more confident that Canada's policies are on the right track, uneasiness is reported to be evaporating from the bond markets and budget surpluses are even foreseen. By 1997 Canada's battle to control the deficit and curtail inflation was reported to have paid off in a big way. This is where the second notable aspect of the panic's culmination comes into play. Just as reports about the success of Canada's deficit fight began to surface, we saw and continue to witness, the subsequent emergence of debates about what should be done with the surplus. Canadians are reminded that the debt burden is still large and we would be well advised not to fall into the same trap of spending again, rather, we need sustained responsibility and progress against the debt.

To summarize, this chapter has presented the case that a moral panic was indeed created in Canada surrounding deficits and debt. This chapter shows that the topic of deficits and debt emerged and became defined as a threat to societal interests. The media played a pivotal role in the creation of the panic by spreading warnings about the impending catastrophe and by providing a distorted and exaggerated picture of problems in Canada's fiscal situation. The chapter illustrated how measures of control were called for, resulting in the establishment of a culture of control to deal with Canada's deficits and debt. This chapter investigated both the language of moral panic and the role of moral entrepreneurs as they pertained to Canada's fiscal crisis. Finally, the chapter demonstrated that the panic was reinforced until desired results were thought to be achieved and subsequent worries about financial surpluses began to emerge.

None of these arguments suggest that we should be mindless of our deficit and debt situation. However, we must be aware that deficit and debt numbers can be manipulated and exaggerated, which leads to the false interpretation that we were in a debt crisis, when we were not (McQuaig, 1995:51). As well, we should be aware that deficits and debt are not all bad. Ultimately, they reflect the investments that we have made into our public infrastructure. Ironically, too small a deficit may indicate a government that has given little attention to its public infrastructure and has paid infrequent thought to the means by which the country will progress in the future (McQuaig, 1995:68). Thus, just as concerns have been generated about the vastness of our deficit and debt, wariness may also be warranted about the smallness of the deficit and debt if interpreted in an alternate fashion.

In the next chapter we return to my theoretical argument as presented in chapter two. My theoretical argument linking the concepts of moral panic and hegemony will be substantiated as the case is made that the panic created around the deficits and debt in Canada has been a tactic in the negotiation of hegemony by the 'new right'.

CHAPTER 5 : STRENGTHENING THE HEGEMONY OF THE 'NEW RIGHT'

Having established that a moral panic surrounding deficits and debt was created in Canada, this chapter attempts to lend credence to my theoretical argument, presented in chapter two, that the effective employment of a short term moral panic may be a useful tactic, helping to secure and strengthen long term hegemony. More specifically, we shall examine how the panic created around deficits and debt in Canada has helped to secure the hegemony of the 'new right'. The debt and deficit panic will be shown to have provided a powerful rationale for the introduction and acceptance of policies of the 'new right'. Before delving into this argument however, it is necessary to first briefly explore the agenda of the 'new right' and ask ourselves whether Canada has undergone a hegemonic shift in this direction.

THE 'NEW RIGHT' AGENDA

The phenomena of the 'new right' also known as Neo-Liberalism emerged in the 1970's in opposition to the more compromising principles of Keynesianism. It is characterized by its conviction to the need for greater flexibility within labour and production markets as well as a minimal role for government.

Central to the notion of Neo-Liberalism is the belief in the “free market” system. Essentially, proponents of Neo-Liberalism believe that the market, when unobstructed and left to the rudimentary principles of supply and demand, can provide great political and social gains (Workman, 1996:24). State activity in general is viewed as an inhibitor to the development of “free markets” and as a burden to the accumulation of capital and to the expansion of business.

Neo-Liberalism’s disillusionment with the state manifests itself as desire for the deregulation of business and pushes for a greater degree of privatization within the economy. Its agenda suggests that governments be downsized and streamline their activities. It is recommended that tax burdens be shifted away from corporations and that an aggressive attack be waged upon labour legislation as such legislation tends to hinder the operation of the market (Workman, 1996:26). These assertions are based on the unproved, ideologically based, assumption that ‘free market’ operations are always much more efficient and effective than operations fettered by the state. In essence, the policies of Neo-Liberalism are designed to influence and discipline labour markets. They promote the dismantling of the welfare state, which, in turn, increases the vulnerability of workers (Workman, 1996:36).

It was vital to the agenda of the ‘new right’ in Canada that Canadians came to view fiscal matters as grave and foreboding. The moral panic served, in part, to rationalize the principles upon which the philosophy of the ‘new right’ is grounded. Neo-Liberalism’s rationale was presented in the moral panic over deficits and debt by the way in which concern was produced over the ability of the government to manage its affairs effectively. The prevailing representation of Canada’s deficit and debt as large and out

of control rationalizes the adoption of the Neo-Liberal agenda as it strategically delegitimizes the governments' involvement in the lives of Canadians. In keeping with the agenda of the 'new right' Canadians are urged to expect less from their government and become more self-sufficient. Thus, the deficit and debt has become a means of demanding that the state disengage itself from the ownership of infrastructure and from providing services to Canadians. Simply stated, behind much of the panic created around deficits and debt lies an embracing of a minimal role for government; proponents of Neo-Liberalism (particularly those in business and finance) have a policy preference for less government intervention, the debt and deficit scare gives them an excuse to call for such a reduction in government involvement (Cameron and Finn, 1996:31). Remove the panic and concern that has been cultivated around deficits and debt and the logic of Neo-Liberalism's policies become less clear. In turn, implementation of such policies would likely become more difficult.

Now that we have briefly examined the tenets of the 'new right', how do we know that Canadian politics and policy have actually undergone a hegemonic shift in that direction? We shall now explore evidence suggesting that Neo-Liberal philosophies have recently taken hold in Canadian society.

HEGEMONY IN CANADA

The welfare state, as Canadians have come to know it, was established after World War Two and has prevailed for more than three decades. At the time of inception,

governments committed themselves to delivering low levels of unemployment and providing essential programs to those in need. In exchange, governments were accorded legitimacy to make the policy decisions and political deals they deemed to be best for Canada (Simpson, 1994:793). In recent years, this kind of state activity in the economy and in the lives of Canadians has become viewed as no longer conducive to prosperity (Workman, 1996:20). As demonstrated through our examination of the discourse of fiscal crisis, such government intervention is often cited as the cause of our financial maladies. State activity is criticized for being wasteful, promoting inflation and hindering the operation of the market. Thus, the Canadian welfare state has been challenged by the 'logic' of Neo-Liberalism. Practices that were once viewed as beneficial to society are now seen as problematic and being abandoned. Canada's moral entrepreneurs now teach the necessity of moderating our demands on the state. This constitutes a transformation of the ideology of the dominant class and consequently has altered the world view that is being presented to the subordinate class.

As we noted in chapter one, the forging of a hegemony requires that the policies being pursued by the dominant group come to be freely consented to by society's masses. The dominant class asserts its own interests while ensuring that that they are interpreted as being in the interests of society as a whole. Therefore, in order to determine if a shift in hegemony has occurred one asks the question: Have we seen this type of consent emerge in the case of Neo-Liberalism? According to the 1997 edition of the Maclean's/CBC annual news poll - which sampled the mood of the nation on various political and social issues- Canadians appear to be anticipating a future starkly different and more harsh than the past. The study noted a deepening trend towards the majority of

respondents expecting society to become poorer, work harder to find and a necessity to become more self-sufficient (Wilson-Smith, 1997:18). People seem to have lowered their expectations about the ability of governments to be able to solve their problems and also seem to have concluded that tough economic times are here to stay (Wilson-Smith, 1997:22). Beyond this, the poll suggested that Canadians appear to have little faith that the traditional welfare state can, or for that matter should be employed to better our economic situation. “Remarkably high” numbers of Canadians are reported to seem willing to accept fundamental changes in the social safety net (Wilson-Smith, 1997:23).

These changes, of which Canadians now appear to be more accepting, are the same type of changes promoted by the agenda of the ‘new right’. For instance, Neo-Liberalism’s push towards privatization meshes with the opinions of 87% of the poll’s respondents, who expect the private sector to play a much larger role in society over the coming years (Wilson-Smith, 1997:23). Neo-Liberalism’s goal of decreasing the role of government in society may become a reality as the poll suggests that respondents seemed to be more accepting of a decline in the welfare state. Despite Canada’s long standing adoration of its social programs, eight out of ten respondents reported that they expected to see a two-tiered health care system in place within ten years. Eight out of ten respondents also expected private universities, independent of government funding, to be in operation, for those who can afford them, by the year 2005. Seventy-nine percent of respondents also reported that they expect governments to increasingly rely on charitable organizations to provide social services (Wilson-Smith, 1997:23). “Even more remarkably, the poll finds a high acceptance level for those scenarios” (Wilson-Smith, 1997:23) which would suggest that consent has been fostered for such fundamental policy

changes. Overall, Neo-Liberal policies have been met with proportionately little resistance (Workman, 1997:29).

Allan Gregg, who has conducted the Maclean's year end poll for the past thirteen years, concluded that Canadians now seem to be ready to entertain alternatives that were unpalatable as little as a decade ago (Gregg, 1997:44). He notes that historically, Canadians have not been willing to accept tampering with the public safety net, but recently, Canadians are not only considering but increasingly consenting to an alternate structure for social welfare. Gregg (1997:45) overwhelmingly attributes this shift in public attitude to a more acute understanding of the limitations of public finance and the constraining effects of the government debt. He submits that having been "bombarded" over ten years with "warnings" on the "perils of escalating debt and the importance of reducing deficits, Canadians have progressively and overwhelmingly bought into this message" (Gregg, 1997:45). A 1994 Gallop poll conducted on Canadians' views of the deficit indicated that only 31% of Canadians polled in January of 1989 said that they were very concerned with the size of the federal deficit, compared to 50% of those polled in November of 1994 (Gallup, 1994:6). A few months later, in January of 1995, Gallup reported that although unemployment continues to be perceived as Canada's most important problem, the problem of government deficits and debts continued to gain prominence in the minds of Canadians and for the first time rivaled concern over unemployment in Canada (Gallup, 1995:1).

Similarly, according to the Maclean's/CBC poll, the combined issue of government spending and deficit ranked as the second most important issue concerning respondents. Despite three consecutive years of cuts in federal spending the poll reports

that 51% of respondents still feel the government has not done enough to reduce the deficit (Wilson-Smith, 1997:21). Beyond the perceived need of deficit reduction by respondents, the poll suggests that the public is beginning to turn its attention towards a post-deficit agenda that provides pro-active policy alternatives (Gregg, 1997:45). These facts also suggest that a consensual shift has occurred in public attitudes towards a structure for social welfare that is coordinated with the agenda of the 'new right'.

Given that a new hegemony based on the logic of Neo-Liberalism seems to have been established recently in Canada, we shall now investigate the question: how was this new hegemony forged and secured? And more specifically, what role did the moral panic surrounding deficits and debt play in its formation ?

CONTRIBUTIONS OF THE DEBT AND DEFICIT PANIC TO THE HEGEMONY OF THE 'NEW RIGHT'

Now that, the concepts of hegemony and moral panic have been explained; the discourse of fiscal crisis has been outlined; the fact that a moral panic over deficits and debt was created in Canada has been determined and; that a new hegemony based on the tenets of Neo-Liberalism has been established, we can now return to the theoretical argument I proposed in chapter two. In chapter two I argued that the effective employment of a short term moral panic may be a useful tactic in helping to secure and strengthen long term hegemony. Here, my argument will be further elucidated as we

explore the notion that the moral panic created around deficits and debt has helped to secure and strengthen the hegemony of the 'new right' in Canada.

I indicated that moral panics generally, could provide the emotional dimension that is needed in the establishment of hegemony, helping to generate active consent among the population. In the case of Canada's fiscal crisis, I suggest the panic created around deficits and debt did provide an emotional dimension upon which the active consent of the population was built. This emotional dimension is especially apparent in "the warnings" that were sent out to the public during the early stages of the panic. Canadians were given the urgent message of the need to control the deficit and debt evoking many emotions. Reports that Canada's credit could be cut off, likely raised fear amongst Canadians about the financial stability of their country and the possibility of losing sovereignty. Worries were likely also raised about the size of our debt making investment unattractive, which would result in Canada becoming less productive and competitive. This may have left Canadians feeling helpless and vulnerable to the winds of global investment. The moral panic may have also served to promote a feeling of guilt amongst Canadians by the way that it suggested that current generations were burdening their children with debt and by the manner in which it implied Canadians should be ashamed of their extravagant lifestyles when compared to those of other countries. The panic also leads Canadians to feel bad that they have contributed to the debt build up through their reliance on government programs and should now try to be more self-reliant. By appealing to the emotions of Canadians, the moral panic surrounding deficits and debt helped to lay the foundations upon which further consent for Neo-Liberalism's policies could be built.

In chapter two I suggested that moral panics help to bring about this consent by presenting problems that the dominant class' policies intend to address in a distorted and exaggerated fashion. As I explained in chapter four, many of the themes in the case of the deficit and debt discourse, were depicted in a distorted and exaggerated fashion. A very threatening picture of Canada's financial situation emerged in the media while alternate interpretations of our fiscal condition were left relatively silent. Combined with the emotive aspects of the panic, the debt and deficit came to be seen as a pressing issue. Thus, presenting the panic of deficits and debt in a distorted and exaggerated fashion assigns seriousness and urgency to the situation, justifying the consent that something of a public nature be done to control the problem.

In my theoretical argument I also submitted that moral panic's use of stereotypes, emotive language and appeals to common sense help to ensure that the hegemonic class appears to be closely attuned to the understandings of the people. Many of the themes that we saw within the discourse of moral panic may be interpreted as aiding in the ability of the 'new right' to appear in touch with the needs of the rest of the country. For instance, it was demonstrated that patriarchal references to courage, bravery and toughness within the discourse mesh well with the common experiences of most Canadians. Analogies made between the debt and personal or household finance make sense, as most Canadians are familiar with having to budget their finances and pay their expenses. People can also relate to the way in which the discourse likens the need to manage the debt with the need to manage a body afflicted by illness or addiction, as Canadians are generally accustomed to the framework of the traditional western medical model. The moral panic around deficits and debt also employed stereotypes about the

debt supporting individuals on social assistance. Such stereotypes helped the hegemony seeking 'new right' to appear in touch with the understandings of the people, as they fit well with the preconceived notions some Canadians have that individuals requiring social assistance are lazy, unmotivated and unproductive members of society.

These stereotypes, emotive language and appeals to common sense make the hegemonic representation of Canada's fiscal crisis sensible to most Canadians and in turn render meaningful, solutions with a Neo-Liberal bent. Thus, the forming of hegemony around Neo-Liberal ideals was aided significantly by the language of the moral panic and its ability to present these ideals in a way that appeared to be closely rooted to the understandings of the people.

I have also asserted that a moral panic may allow for the opportunity to bolster the moral intellectual and political leadership that hegemony requires. Through the process of moral panic, the hegemonic class may be able to heighten the perceived value of its leadership and organize the consent needed to secure its hegemony. Likewise in this case the moral panic that was created around Canada's deficit and debt allowed the 'new right' to bolster the perceived value of its leadership. In particular, the 'new right' was able to accomplish this by the way in which they supplied seemingly logical solutions to the fiscal problems facing Canada. The general acknowledgment that governments should make deficit reduction their number one priority, and leaders should no longer permit uncontrolled escalation of the debt helped the 'new right' to assert its moral leadership. This was mainly achieved through the promotion of deficit and debt reduction as the only fiscally responsible and morally prudent thing to do.

The panic helped to secure the need for the 'new right's' political leadership in the way that it described traditional routes of debt and deficit reduction as exhausted and ineffective. Therefore, there was a perceived need for alternatives such as those suggested by the proponents of the 'new right'. Recommended solutions, such as deep and enduring cuts to spending, increasing the preparedness of Canadians to make sacrifices in order to balance the budget and by lowering of the expectations of government, furthered the agenda of the 'new right'. The apparent necessity for such solutions helped to justify the value of the political leadership of the 'new right'. The 'new right' creates the need for their "agenda" as a solution to the crisis, therefore demonstrating the value of their political leadership.

The 'new right' was also able to demonstrate its capabilities to lead intellectually merely by the fact that it was able to propose such solutions and by the fact that these solutions appeared logical and coherent to the population at large.

I suggested in chapter two, that a moral panic may help to conceal the depth and pervasiveness of hegemony by diverting attention from the extent to which policies being pursued in society benefit the dominant group. The current example illustrates how the moral panic created around deficits and debt helped to conceal the degree to which policy changes have served to benefit the desires of the 'new right' and its proponents, especially those in business and finance.

In keeping with this idea I asserted that through the creation of a moral panic the dominant class may be able to connect itself to the concerns of the subordinate groups by

suggesting solutions to the dilemma that will serve to benefit their hegemonic endeavor in the long run. The moral panic created a sense of urgency around the debt and deficit, provoking concern that something must be done to control its destructive path and restore our fiscal integrity. As more attention was brought to the 'problem' Canadians began to recognize the 'problem' as something with which we needed to deal, quickly and fastidiously. Canadians then seemed to offer their consent to, what appeared to be the only responsible solutions available to rectify the 'problem'. The unitary nature of the discourse, combined with the presented inevitability of such solutions camouflaged the extent to which the long term interests of the hegemonic class were being served.

For example, the way in which the debt discourse insisted upon the need to keep the rate of inflation down, conceals the fact that following such a policy may disproportionately benefit those with financial assets, while the rest of the economy is left severely dampened. The way in which the discourse portrays the government as wasteful and implies that the private sector could be more efficient if it were to take over many of the tasks of the state, disguises the fact that privatization removes control of these services from the hands of the people. The debt and deficit discourse also promoted cuts to spending as the most effective way to eliminate our financial problems. Although the promotion of this idea may help the 'new right' achieve its goal of a decreasing the role of government in society and a roll back of the welfare state, it shrouds the fact that our social programs are valuable assets that help to ensure equality in society.

Thus, the Canadian experience with deficits and debts illustrates how a moral panic can help the hegemonic class appear attuned to the sentiments of the people and conceal the pervasiveness of its hegemony by suggesting solutions (i.e. lowering

inflation, disciplining wasteful government and cutbacks on social spending), that benefit the hegemonic endeavor in the long run (capital accumulation, privatization and a decreased role for government respectively).

I noted in chapter two, that a moral panic may be able to lessen the subordinate groups' feelings of manipulation, as the target of the panic is typically depicted as threatening to the whole of society. This could be accomplished through the unitary view of the situation that moral panic creates. We examined moral panic's unitary presentation of the deficit and debt in chapter four and concluded that the media assumed a somewhat consensual view of society in its portrayal of the situation. Canadians were represented as having roughly the same interests in reducing the deficit and debt. The debt was depicted as too large and out of control, not as a measure of the investments we have made into the country's people and infrastructure. The debt was represented as burdening the future generations, not as providing them with a legacy of assets and services. The deficit and debt became the common foe that hindered Canada's productivity and competitiveness and therefore harmed all Canadians. Logic would then suggest that if the deficit and debt harmed all citizens, it would be in the best interests of all citizens to combat the deficit and debt. Some Canadians even began to call for measures that would bring about control. Thus, when solutions to our fiscal dilemmas are posed by the hegemonic class -in this case the proponents of the 'new right'- they would seem to be necessary as well as beneficial to all Canadians. Canadians should not feel manipulated or coerced into accepting such solutions, as the tactic of moral panic has allowed them to recognize the seriousness the problem poses for all Canadians and has convinced them of the need for particular solutions.

I also asserted that a moral panic may allow the hegemonic class to address the sentiments of the people, while producing the conditions that may advance its own political goals. How does this argument play out in the case of the Canadian fiscal crisis? The moral panic created around deficits and debt succeeded in making Canadians passionate and concerned about the financial well being of the nation. It permitted them to see the necessity for changes to be made in the way the economy was being run and the need for solutions to the problem to be found and implemented. Essentially the debt and deficit panic caused the notion of deficit and debt reduction to become synonymous with the sentiments of the people.

The proponents of the 'new right' were then able to propose strategic solutions to the debt and deficit problem, such as cutting back on social spending, which ultimately would benefit their own interests. At the same time, these solutions appeared to be a response to the requests of the subordinate class. Thus, in this way the moral panic around deficits and debt helped the 'new right' to address the sentiments of the people (bring the country's finances under control), while it advanced its own political goal of rolling back the welfare state.

I asserted that the intellectuals of the dominant class become the moral entrepreneurs who campaign against the public evil and claim to represent the values of everyone in the process. In the case of the moral panic surrounding Canada's deficit and debt we noted that the moral entrepreneurs were members of the business and financial elite. Many different voices are found among this elite, including bank and business managers, economists, news reporters etc.. More specifically, it was noted that the organized views of these interests were often presented by researchers and academics

employed by think tanks such as the C.D. Howe and Fraser institutes, which were then reported to the public through the media. Our examination of the discourse of fiscal crisis reveals that these moral entrepreneurs led an energetic and powerful campaign against deficits and debt between 1986 and 1998. Reports from both the business and financial worlds presented the view that the fiscal integrity of the nation must be restored for the sake of everyone.

In chapter two, I also asserted that the stability of hegemony is encouraged by panics that help the hegemonic class reach its goals in a more subtle and consensual way. The stability of the hegemony of the 'new right' is promoted by the moral panic surrounding deficits and debt. The debt and deficit panic allowed the proponents of the 'new right' to warn and describe to the public of the dangers of fiscal imbalance as well as, promote and implement 'logical' solutions to the problem. The language of the panic ensured that the hegemonic class appeared to be in touch with the interests of the rest of the population, and its unitary nature assured Canadians that there was really no other prudent choice but to reduce the deficit and debt in the way that it explained. Justification for the leadership of the 'new right' is demonstrated and encouraged throughout this process. In short, the panic allowed the 'new right' to gain the active consent of the population. Once the ideas of the 'new right' had achieved this consent, its policies could be implemented with relatively little interference or opposition. With few outbreaks of dissent, there was little need to use coercive measures and thus, the 'new right' was able to establish, secure and stabilize its hegemony in a more subtle and consensual fashion.

In chapter two, I claimed that moral panics can leave behind “symbolic resonances” upon which the hegemonic class can instruct the course of its hegemony. In the case of the panic surrounding the debt and deficit we have seen a very specific language and form of logic develop, based either implicitly or explicitly on the tenets of Neo-Liberalism. Many ‘common sense’ notions that were circulating in the public before the panic began, were strategically altered to form a new patterns of thought. The need to maintain control over federal finance, the need to remain productive and competitive, the idea of self reliance, the notion of decreasing our expectations of government and the need for cutbacks in hard economic times were among the ideas that the panic brought to the consciousness of Canadians. I suggest that as long as the ‘new right’ is on its hegemonic endeavour, we can expect to hear variants of these same themes within the media, as attempts are made to further the ‘new right’ agenda. Such themes, now familiar to Canadians, are consistent with what they have heard before and may be used in other instances. For example, if the ‘new right’ wanted to further its interests by promoting the deregulation or downsizing of business, it could draw upon the already familiar ideas of competitiveness and productivity to get its point across. Such ideas should mesh well with the resonances the debt and deficit panic left behind in the minds of Canadians and thus, may help the ‘new right’ in instructing the course of its hegemony.

Finally, I stated in chapter two that a moral panic may be used to distract from larger structural changes in society. Typically moral panics are thought to inspire concern around a problem in order to avoid making large structural changes in society. For instance, a moral panic may be created around individuals who commit crimes. Targeting these individuals would result in faster and easier solutions (arrests and incarcerations)

than dealing with some of the larger structural issues pertaining to rates of crime, such as education, social welfare etc..

In the case of the Canadian fiscal crisis, the moral panic helped to keep people focused upon the size and severity of the deficit and debt. The panic's insistence that the deficit and debt must be reduced at all costs kept Canadians from examining the real implications of the solutions that were proposed. This helped to distract from the fact that what seemed to be necessary changes to control the deficit and debt were also creating deep and enduring structural changes to society that were beneficial to the hegemony formation of the 'new right'. It should be noted, that the objective here remains the same as in the traditional interpretation, the moral panic is still helping the hegemonic class to avoid politically explosive explanations of the situation that may undermine its hegemony. Privatization, and rollback of the welfare state, I am sure, would be a much tougher sell to Canadians if the deficit and debt panic were removed, however, in this case what is being shrouded is the need for such solutions and the extent to which overall restructuring of society is taking place; shifting hegemony further in the direction of the 'new right'.

To summarize, in the case of the Canadian fiscal crisis the tactic of moral panic: provided the emotional dimension needed in the establishment of hegemony; facilitated consent by presenting problems that the dominant class' policies intend to address in a distorted and exaggerated fashion; helped ensure the programs of the hegemonic class have appeared closely rooted to the understandings of the people; assisted in bolstering the moral, intellectual and political leadership of the 'new right'; helped conceal the depth and pervasiveness of the 'new right's' hegemony; allowed the dominant class to suggest

solutions that furthered their hegemonic endeavour; aided the lessening of the subordinate group's feeling of manipulation; enabled the hegemonic class to reach its goals in a consensual and subtle way; left "symbolic resonances" behind upon which they 'new right' may instruct the course of its hegemony and helped distract attention from the shifting of hegemony itself. Thus, the arguments presented here indicate that the tactic of moral panic, created around deficits and debt in Canada, helped to secure and strengthen the hegemony of the 'new right' in Canada.

This chapter began by briefly outlining the agenda of the 'new right' in Canada. I then proceeded to describe the nature of the hegemony that has been recently established by the 'new right'. I showed that an hegemonic shift occurred in Canada and that Canadians accepted an outlook for the future that departed starkly from that of the past. Most importantly, the analysis presented in this chapter provided support for my theoretical argument, that the moral panic created around deficits and debt in Canada between 1986 and 1998 helped to secure and strengthen the hegemony of the 'new right'.

CONCLUSION

This thesis set out to explore the formation of a new hegemony in Canada based on the principles of Neo-Liberalism. What interested me was whether the perceived changes in Canadian outlooks on debt and the agenda of Neo-Liberalism (which advocated reducing the welfare state) were linked somehow. How did the acceptance of the new agenda become so widespread in such a short historical period? I have been interested theoretically in Gramsci's work on hegemony and became aware of moral panic theory as I searched out possible explanations for these intriguing events. I struck out with this thesis to explore the possibility of a theoretical linkage between the concepts of moral panic and hegemony. It was postulated that moral panics may be thought of as tactics that can be employed for purposes of securing and strengthening hegemony. The example of the moral panic that was created around deficits and Canada was shown to have played a pivotal role in securing and strengthening the hegemony of the 'new right'.

This thesis began by reviewing some theories of the state and Gramsci's concept of hegemony. Chapter two introduced Cohen's notion of moral panic as well as my own theoretical argument, linking together the ideas of hegemony and moral panic. The discourse created within the *Globe and Mail* between 1986 and 1998, surrounding deficits and debt was outlined in chapter three. Chapter four illustrated the nature of the moral panic that was created around Canada's deficit and debt. We returned to the idea of hegemony in chapter five, exploring its presence in Canada. My theoretical argument was also drawn out in chapter five, establishing that the moral panic that was created

around deficits and debt in Canada, helped to secure and strengthen the hegemony of the 'new right'.

Many sociologists have been interested in the ways in which relations of domination and power are nourished and sustained within society. This thesis adds to this knowledge base in many ways. Although many theorists have implied a connection between the concepts of moral panic and hegemony none, to my knowledge, have ever attempted to link the two concepts as explicitly as I have done here. Thus, this thesis takes the concepts of both hegemony and moral panic in new directions. The abstract notion of hegemony becomes more understandable when linked with the more systematic concept of moral panic and moral panic gains prominence when it is linked with the power of hegemony.

Within the literature, moral panics are typically thought to inspire concern around a 'problem' in order to distract from making large structural changes in society. Uniquely, the work done here implies that moral panics may also be useful in concealing the degree to which large structural changes are indeed taking place within society. Most frequently, investigations of moral panics have centered on a group of people or sub-population that has become deviantized. The focus of the panic (deficit and debt) in this thesis however, would be better categorized as a condition or episode. Although Cohen's definition of moral panic includes conditions or episodes as 'appropriate' targets for such campaigns of concern, theorists have paid relatively little attention to the distorted and exaggerated portrayal of 'events' in their studies of moral panic. This thesis also contributes to the general knowledge Canadians have acquired with respect to the deficit

and debt, by the way in which it has brought alternate interpretations of Canada's fiscal crisis to the forefront.

Most research has its limitations; this thesis is no exception. It should be noted that although moral panic as a concept, is somewhat more systematic than hegemony, it is still a theoretical construct. As such, there are no real objective measures by which to interpret its presence in society. It is up to the individual to decide whether media response and official reaction to a 'problem' is more severe than the 'problem' itself warrants. Likewise, there is no true objective measure of hegemony. Again, it is the individual who must decide whether the active consent generated by a class constitutes the formation of a hegemony.

Due to time and space constraints, this thesis was only able to examine one media source as an indicator of moral panic (*the Globe and Mail*), somewhat limiting our interpretation of the discourse circulating about Canada's fiscal crisis. Those conducting further research in this area may want to consider exploring the influence of other forms of media on the discourse of fiscal crisis. It should also be noted that since the concepts of moral panic and hegemony have never, to my knowledge, been explicitly linked until now, there is much work left to be done to solidify the theoretical connection I have initiated here. Future research may want to investigate different circumstances in which there may be linkages between moral panics and hegemony. It would also be interesting to follow the discourse that has begun to develop around the possibilities of a budget surplus to see whether or not the "symbolic resonances" of the deficit and debt panic are recycled as the 'new right' attempts to further its hegemony.

Finally, I do not necessarily assume that my explanation of the deficit and debt panic in Canada and the hegemony of the 'new right' is the only interpretation, however, I do suggest that it is a justifiable one. It is my hope that highlighting the social relations between media and power in society will stimulate critical reflection on other 'common sense' ideologies that perpetrate society.

APPENDIX : A

DISCOURSE ANALYSIS AS A RESEARCH TOOL

For many years sociologists have recognized the importance of language in the reproduction and maintenance of social order. However, few sociologists have made systematic attempts to integrate discourse with traditional sociological theory and research. To this end, this thesis attempted to integrate a discourse analysis of a Canadian newspaper with an investigation of moral panics, that was later linked with hegemony. Discourse can be defined simply as “socially situated speech” (Harris, 1996:64). In general, studies with a more sociological basis tend to use the term discourse (where content, function and social significance of language are at issue), while studies with a more linguistic aim tend to use the word text (where form and structure of language are at issue) (Kress, 1985:27). Discourse typically focuses on certain “objects” and “puts forward certain concepts at the expense of others” (McDonnell, 1986:3). What matters most when one is analyzing discourse is the position the discourse takes. It is also important to consider the meanings of the words used and the context in which the statements are made (McDonnell, 1986:46).

By examining the context and meaning of discourse we are better able to determine the specific interests that lie behind general claims of ‘universal good’. In this way our analysis becomes redirected towards the real, if obscured, determinants of social

life. This allows us to understand seemingly isolated social events as embedded in and as reproducing existing social relations (Harris, 1996:17).

Discourses themselves are part of ideological spheres. The scope of ideology and therefore, discourse was greatly expanded by the development of mass communication in modern society. Symbolic forms can now be conveyed to large audiences, even if they are separated by time and space (Thompson, 1990:266). It has been noted that one cannot assume that individuals will act in imitative and conforming ways, just by the mere fact that they received the message (Thompson, 1990:268). That is why it is important, when analyzing discourse, to consider the specific contexts and processes in which discourse is appropriated by the individuals who receive it (Thompson, 1990:268). Analyzing the discourse of fiscal crisis in conjunction with the concepts of moral panics and hegemony has enabled us, to some extent, interpret the effects the message has had on the public and has allowed us to describe the outcome of the public's reaction to the discourse.

Traditional analyses of discourse tend to focus on the logic of discourse and its meaning. Conflict analyses of discourse are also concerned with the logic of discourse but focus mainly on the politics of discourses and discourses' antagonistic relations (McDonnell, 1986:70). The discourse analysis undertaken in this thesis falls within the boundaries of a conflict based approach to discourse analysis. More specifically, this thesis takes a combination of narrative structure analysis and argumentative analysis as the basis of its methodological framework.

METHODOLOGY

The combination of narrative structure analysis and argumentative analysis was chosen as the methodological framework because they meshed nicely with the purposes of the thesis. Generally, a narrative recounts a sequence of events or “tells a story” (Thompson, 1990:288). The narrative identifies a cast of characters and a succession of events, which when combined, display a plot or story. Narrative analysis seeks to identify specific devices operating within a narrative and then elucidate their role in the story. Narrative analysis may also examine patterns that arise within a set of narratives in an attempt to locate a common, underlying structure (Thompson, 1990:288). This thesis has attempted to use the notion of narrative structure as it outlined the story created around deficits and debt in Canada, particularly within chapter three: The Discourse of Fiscal Crisis.

The thesis also drew upon methods common to argumentative analysis. Argumentative analyses are often useful in the study of political discourse (Thompson, 1990:289). To the extent that deficits and debt are effected by and affect politics itself, the deficit and debt story may be considered political in nature. Argumentative analysis suggests that political discourse is often presented “in the form of an argument, a series of claims or assertions, topics or themes strung together in a more or less coherent way and seeking, often with the aid of rhetorical flourishes to persuade an audience” (Thompson, 1990:289). It is evident that this suggestion holds true in the case of the story that was

created around deficits and debt. We noted that various themes concerning the seriousness of the deficit and debt situation were strung together within the *Globe and Mail* in such a way that a moral panic was created, which persuaded the Canadian public to accept a new, hegemonic world view.

Synthesizing argumentative analysis with narrative analysis allowed the thesis to go beyond just telling a story to interpreting the relationship between the story's content and the exercise of power within Canadian society. It allowed for comments to be made regarding moral panic and the establishment and maintenance of hegemony. In short, this thesis employed both narrative analysis, which helped to form the deficit and debt story and elucidate the story's important themes, and argumentative analysis, in an attempt to analyze the story and render explicit the patterns which comprised its compelling argument.

The articles examined in this thesis were collected by using the Canadian Business and Current Affairs (CBCA) database. The search was limited to articles in the *Globe and Mail* newspaper between May of 1986 and March of 1998. News, editorial and opinion pieces were all included in the article search and examination. The *Globe and Mail* was chosen because it is the only national newspaper in Canada that provides commentary on a variety of issues. In order to obtain a true sense of the discourse surrounding deficit and debt, I felt that it was better to use a newspaper that could provide a medley of perspectives on the deficit and debt, including cultural, social and political, rather than a purely finance based interpretation of the story.

With the help of the CBCA database every article that appeared in the *Globe and Mail* from May 1986 to March 1998 was searched for its applicability to the purposes of

the study. Only those articles that had the term debt or deficit (or any form of either of these two words) appearing near (within five words of) the term Canada (or any form of this word) or federal were recommended for further examination. This search yielded 420 articles. The abstracts and bibliographical information from these articles was then printed out and read to determine whether or not they were relevant to the study. After eliminating any irrelevant articles the search was refined to a total of 220 articles. The 220 articles were copied from microfilm and read in their entirety. Themes appearing within the articles were recorded and organized by hand.

Theme categories were formed before the research was conducted based upon assumptions about what themes might be found in the articles. However, as the research was conducted theme categories were added when items were found that did not fit the previously existing categories. Each theme was counted once for every article in which it appeared. Many articles contained more than one theme, resulting in a greater number of frequencies than articles. When all of the articles' themes were recorded, there were 30 themes accounted for, however, some of the themes were later combined to form a more coherent analysis. The numerical results of the article research are presented in tables one and two. Table one presents a list of the themes found within the articles. The table is divided into two sections. The first section depicts themes that would typically be thought of as forming the basis of the 'right' wing or, what has become the dominant debate over deficits and debt. The second section of Table one presents 'alternative' themes that were found within the articles. In total the articles contained 604 'right' wing themes vs. 130 'alternative' themes. 'Alternative' themes account for only 17.7% of all themes contained within the discourse. Table two presents a break down of the number

of articles pertaining to the deficit and debt (as per the previously stated limitations) found in the *Globe and Mail* each year. The results of the article search are more fully described within the text of the thesis. In particular, chapter three describes the dominant debt and deficit discourse and chapters four and five analyze the meaning and implications of the discourse. Within these chapters, some of the themes that appear relatively less frequently within the dominant debt discourse (i.e. references to illness and future generations) are still relied upon because of the poignancy of their arguments. A Deficit and Debt Timeline is also presented at the end of this appendix which gives a brief, point form synopsis of the deficit and debt story as it was developed in the *Globe and Mail*.

TABLE 1 : ARTICLE THEMES

ARTICLE THEMES	FREQUENCY	PERCENTAGE OF TOTAL NUMBER OF ARTICLES *
The debt: has reached alarming/ third world proportions, is out of control	90	40.9
Failure to act will result in: a credit crisis, hitting the debt wall, disaster, loss of sovereignty	79	35.9
Need to control / lower inflation, need to evoke confidence in the markets	50	22.7
The debt is due to wasteful government / living beyond our means	48	21.8
Canadians are taxed out / deficit cannot be decreased by increasing taxes	25	11.4
Deficit and/or debt linked to wellness of the body, need to maintain health	8	3.6
Deficit and/ or debt risks future generations	5	2.3
References to courage, bravery, sacrifice, toughness	17	7.7
Analogy between home/ personal finance and state finance	15	6.8
Those on social assistance are: failures, lazy or unmotivated	5	2.3
The overriding objective of government policy must be to eliminate the deficit, unconventional measures to do so warranted	73	33.2

*Percentages of total number of articles are rounded to the highest tenth of a percent.

The deficit and/ or debt causes recessions, high interest rates, high unemployment and lack of competitiveness	16	7.3
Spending identified as deficit/ debt culprit, need to cut spending, roll back the welfare state, can no longer afford it	78	35.5
Need to lower our expectations about what society and/ or government can do for its citizens	19	8.6
Deficit / debt has created a dangerous, long term dependency	15	6.8
Tax cuts / privatization recommended	9	4.1
Outlook for deficit brightens **	26	11.8
TOTAL	604	
High interest rates are harmful, add to the cost of servicing debt	44	20
Tax increases needed, corporate taxes too low	21	9.5
Need spending to promote expansion, cuts and tight monetary campaign are counter - productive	27	12.3
Unemployment should be our main concern	11	5
Deficit and/ or debt levels not so bad	27	12.3
TOTAL	130	

** When debt and deficit timeline is consulted we see that this theme emerges, at the end of the panic, once hegemony has been established and in conjunction with continued worries about the size of the debt.

TABLE 2 : NUMBER OF ARTICLES PER YEAR

YEAR	# of Articles
May 1986	4
1987	4
1988	8
1989	14
1990	10
1991	28
1992	28
1993	46
1994	37
1995	15
1996	5
1997	19
March 1998	2
TOTAL	220

DEBT AND DEFICIT TIMELINE

- a brief synopsis of *Globe and Mail* articles on Canada's deficit and debt between May, 1986 and March 1998

1986

- debt and deficit is getting big and out of control
- we are asked to think about how long we can keep up deficits and debt
- federal finances are heading towards disaster
- initial indications that spending cuts to programs may be needed to accomplish the goal of deficit reduction

1987

- we are quickly approaching heavy indebtedness
- deficit supports consumption by unproductive members of society and does not help our competitive stance in the global market

1988

- strong tax revenue and spending controls helped keep deficit down
- business worried about deficit, federal spending habits and propensity to live beyond our means

1989

- we need to step up the deficit fight, not so much through tax increases but particularly through decreasing expenditures

- deficit situation is worsening appreciably, urgent action needed to control it
- debt and deficit now depicted as a major problem and target for reduction
- government finance and business insist on cutting social programs to decrease deficit
- deficit and debt depicted as a threat to Canada's stability
- Canadians need to recognize the seriousness of the problem
- Bank of Canada is battling inflation

1990

- need to continue to fight the deficit despite the fact Canada is now broaching a recession
- emphasis on cuts to spending
- interest rates reach an eight year high
- high interest rates adding to the problem of debt

1991

- economy now mired in a recession
- continued emphasis on deficit reduction and fighting inflation
- Canadians advised they have to begin to expect less from government
- national inflation targets set for the first time by the federal government in conjunction with the Bank of Canada
- plans underway to legislate mandatory spending limits for governments

- special debt servicing fund established to receive revenue from the GST, privatizations and individual donations
- Ontario's government still insisting the deficit reduction policy of the federal government is wrong, should instead be stimulating the economy
- worries surface that our federal bond rating may be cut
- deficit for the year headed higher than predicted
- warning that next year's growth may be slower, deficit larger and inflation higher

1992

- debt still increasing
- all levels of government, of every political stripe are now talking of austerity (even Ontario's N.D.P)
- Years of dependency and undisciplined spending on programs have created the deficit and debt problem with which we must now deal
- governments must coordinate their policies to ensure Canada avoids increasing total government deficit
- still need to keep inflation low
- further cuts to spending will be needed to meet the deficit target
- Standard & Poor cuts Canada's foreign currency debt rating to double A plus from triple A

- deficit situation not looking good for 91/92 due to a decrease in revenue and an increase in expenditures, situation does not appear to be much better for 92/93 either
- despite the actions taken to improve the outlook of the deficit, little progress has been made towards actually lowering it

1993

- worries surface that foreign investors may begin to lose confidence in Canada
- public is becoming increasingly aware of the debt issue
- suggestions arise that we need deeper cuts in order to have a real impact on deficit and debt levels
- a more disciplined approach to public finance is becoming more widespread
- potential fiscal crisis still lurks in the wings
- persistent deficit and debt slows Canada's recovery (from the recession) and growth
- the best way to proceed may be through a combination of tax cuts, reductions to spending and to get people to demand less of government

1994

- Canadians tax burden is too high
- it will take hefty spending cuts to get deficit down to appropriate levels
- structural changes must be made so that the deficit doesn't rebound after it improves

- Bank of Canada still committed to price stability and getting deficit and debt under control
- things are starting to come into place for an economic recovery, but we still need tough measures to keep deficit down
- need to get interest rates down through decreasing inflation
- we have joined the third world in terms of our debt problem, all the conditions for a major financial crisis are now in place
- contradictory reports of Canada's financial situation as extremely threatening vs. headed towards improvement
- growing economy saving the government at the moment
- there should be no let up in anti - inflation vigilance now that fight has been successful

1995

- we still need a detailed time table to get deficit down to zero
- announcement of one of the toughest budgets ever tabled in Canadian history, 1996/97 spending on federal programs will be lowest as a % of GDP since 1951
- revenue is expected to rise soon, surplus may even be on the horizon
- market watchers applaud budget but warn we still need to come to terms with the debt
- investors are becoming more confident that our policies are on the right track

- need to set goals for stabilizing our debt burden, emphasis has been too short term (on deficit), we need to shift to a long term vision
- more spending cuts to come as we remain committed to eliminating the deficit
- our aim is to achieve a permanent reduction in the debt

1996

- deficit predicted to come in below target
- uneasiness evaporating from the bond market
- rosier outlook reflects government's low inflation
- made the deepest cuts to spending on government programs than any of the G7 countries
- debt bill still steep

1997

- Finance minister Paul Martin beat targets on the deficit for the last two years and appears to be on track for the next three years
- some say we should not celebrate yet, the debt is still bloated
- we need to avoid the pressure of directing surplus towards new spending instead of deficit reduction
- Canada now has a positive outlook by fiscal bond rating agencies on its fiscal actions, but still contingent upon its debt burden
- Canadians battle to control deficit and decrease inflation has paid off "big time"

- debt burden is still large, hinders competitiveness
- debate underway about what should be done after budget is balanced
- we do not want to fall into the same foolish spending trap, it will only get us into trouble again
- need sustained responsibility and progress against debt

1998

- deficit may be down, but debt is still troublesome
- if we are truly serious about our finances we will stop being deficit warriors and become debt warriors
- Canadians want the debt brought down
- public opinion backs debt reduction, but process will take time and patience

REFERENCES

Aarsteinsen, Barbara. 1988. "Federal Budget Deficit Biggest Worry for Small Business People Survey Finds" The Globe and Mail, November 30, Sec. B:3.

Appleby, Timothy. 1993. "Would Freeze Federal Taxes, Erase Deficit Charest Says, Tory Hopeful Looks at Cuts to Social Programs." The Globe and Mail, April 15, Sec. A:1,4.

Armstrong, Pat. 1996. Wasting Away: The Undermining of Canadian Health Care. Don Mills: Oxford University Press.

Barnes, Angela. 1989. "Canada Must Deal With Deficit Now Lonvest Chairman Tells Shareholders." The Globe and Mail, April 21, Sec. B:4.

Becker, Howard S. 1963. Outsiders: Studies in the Sociology of Deviance. New York: Free Press.

Bell, Holly E. 1996. Moral Entrepreneurship and Employment Equity: A Case Study of Policies and Programs Pursued at the University of Western Ontario. London Ontario: Faculty of Graduate Studies The University of Western Ontario.

Ben-Yehuda, Nachman. 1990. The Politics of Morality and Deviance: Moral Panics, Drug Abuse, Deviant Science and Reversed Stigmatization. Albany New York: State University of New York Press.

Bocock, Robert. 1986. Hegemony. New York: Tavistock Publications.

Boëthius, Ulf. 1995. "Youth the Media and Moral Panics" in Johan Fornäs and Göran Bolin eds., Youth Culture in Late Modernity. New Delhi: Sage Publications.

Brooks, Neil. 1995. Left vs. Right : Why the Left is Right and The Right Is Wrong. Ottawa ; Canadian Centre for Policy Alternatives.

Buci-Glucksman, Christine. 1982. "Hegemony and Consent: A Political Strategy" in Anne Showstack Sassoon eds., Approaches to Gramsci. London: Writers and Readers Publishing Co-operative Society.

Cameron, Duncan and Finn, ed. 1996. 10 Deficit Myths : The Truth About Government Debts and Why They Don't Justify Cutbacks. Ottawa : Canadian Centre for Policy Alternatives.

Canadian Press. 1993a. "\$1 Trillion National Debt Foreseen, CMA Urges Ottawa to Go for Spending Cuts Not Tax Hikes." The Globe and Mail, December 8, Sec. B:2.

_____. 1993. "3.5% Growth Predicted for 1993." The Globe and Mail, April 16, Sec. B:6.

_____. 1990a. "Business Up in Arms About Federal Deficit." The Globe and Mail, September 19, Sec. B:5.

_____. 1990b. "Canada Warned About Rate Risk, Deficit Cutting Better Way, IMF Says." The Globe and Mail, September 13, Sec. B:2.

_____. 1989a. "Federal Deficit for November Increases by Nearly \$1 Billion." The Globe and Mail, February 1, Sec. B:3.

_____. 1989b. "Federal Deficit Rises 1.9 Billion Report." The Globe and Mail, March 9, Sec. B:6.

_____. 1993b. "OECD Warns of Debt Threat, Could Slow the Pace of Canada's Economic Growth, agency Says." The Globe and Mail, December 2, Sec. B:3.

Canadian Press and Staff. 1993. "Canada's Debt Clock Hits 450 Billion Mark." The Globe and Mail, February 11, Sec. B:14.

Cauthen, Nancy K. and Jasper James M. 1994. "Culture, Politics and Moral Panics" Sociological Forum 9:495-503.

Carmichael, Ted. 1993. "A Personal Reflection on Deficits and Debt" in Colloquium on Deficits and Debt. Office of the Auditor General of Canada 59:61.

Cernetig, Miro. 1993. "Out of the West They Rode, the Anti-Tax Gang." The Globe and Mail, April 17, Sec. D:3.

Chambliss, William. 1994. "Policing The Ghetto Underclass: The Politics of Law and Law Enforcement" Social Problems 41:177-195.

Chiricos, Theodore. 1996. "Moral Panic as Ideology: Drugs, Violence, Race and Punishment in America" in M. Whittington eds. Justice with Prejudice: Race and Criminal Justice in America. New York: Harrow and Heston.

Chorney, Harold. 1987. The Deficit Hysteria and The Current Economic Crisis. Ottawa: Canadian Centre for Policy Alternatives.

Cohen, Stanley. 1972. Folk Devils and Moral Panics: The Creation of the Mods and Rockers. Oxford: Martin Robertson.

Cook, Peter. 1995. "Canada in the Present World Debt Crisis." The Globe and Mail, January 12, Sec. B:2.

_____. 1991. "Gloom in Washington puts Canada in Shade." The Globe and Mail, December 3, Sec. B:8.

_____. 1986. "In Search of Canada's Debt: Who's Got Our Number?" The Globe and Mail, September 22, Sec. B:3.

_____. 1992. "Rising Rates a Product of Crisis Management." The Globe and Mail, March 11, Sec. B:1-2.

Corcoran, Terence. 1991a. "Imported Gloom Obscures Canada's Edge." The Globe and Mail, November 30, Sec. B:2.

_____. 1991b. "Quebec Opponents Assail Federal Policies, Political Differences Put Aside to Hammer Out Ottawa's Spending, Spiraling Deficit." The Globe and Mail, October 29, Sec. B:6.

_____. 1992. "Should the Piper Pay for New Deficits?." The Globe and Mail, January 24, Sec. B:2.

Coté, Marcel. 1993. "Deficits and Debt Proceedings of the Colloquium" in Colloquium on Deficits and Debt. Office of the Auditor General of Canada 59:61.

Dinning, Jim. 1997. "The Deficit Dragon Hasn't Been Slain Yet." The Globe and Mail, June 13, Sec. A:17.

Dobbin, Murray. 1997. In Defence of Public Services : Preserving the Dream of a Just Society. Ottawa: Canadian Centre for Policy Alternatives.

Donald, James and Hall, Stuart. 1986. "Introduction" in James Donald and Stuart Hall eds., Politics and Ideology. Philadelphia: Milton Keynes.

Dow Jones Service. 1989. "Cut Federal Budget Deficit By Half : Business Council." The Globe and Mail, March 2, Sec. B:3.

Drohan, Madelaine. 1991. "Deficit \$30 Billion Plus but Wilson Promises Amazing Cut to 6.5 Billion in 5 Years." The Globe and Mail, February 27, Sec. B:1.

Eisner, Robert. 1987. "The Federal Deficit : How Does It Matter?." Science 237:1577-1582.

Enchin, Harvey. 1991. "Trade Woes Loom Report Warns, Too Much Governing, Too Much Debt, Too Little Direction in Canada Decried." The Globe and Mail, March 5, Sec. B:1,2.

Fagan, Drew. 1992. "Slower Growth Next Year to Propel Deficit Higher." The Globe and Mail, December 3, Sec. B:6.

Farrow, Maureen and Robson, William. 1989. "Getting to the Root of the Federal Deficit." The Globe and Mail, April 21, Sec. A:7.

Feschuk, Scott. 1993. "Business Disappointed in Budget, Doesn't do Nearly Enough to Cut Spending and Lower the Federal Deficit." The Globe and Mail, April 27, Sec. B:4.

Freeman, Alan. 1995b. "Analysts Fear Financial Pandora's Box : Canada will Stay Under Economic Watch as Markets Gauge Effect Of Deficit." The Globe and Mail, October 31, Sec. A:10.

_____. 1995a. "Auditor Slams Federal Debt, Desautels Warns Too Much Emphasis on Deficit When Goal Must be to Stabilize Debt." The Globe and Mail, October 6, Sec. B:1,4.

_____. 1990. "Debt Costs Inflate Federal Spending. Interest to Total \$ 2.5 Billion Extra." The Globe and Mail, November 29, Sec. A:1,2.

_____. 1993b. "Debt Growth Worries Crow, Tries to Calm Markets : I Call it a Challenge." The Globe and Mail, March 24, Sec. B:1,2.

_____. 1993d. "Deficit Hits a Record \$40.5 Billion : Martin Vows a line by Line Review of Spending." The Globe and Mail, November 17, Sec. B:1,12.

_____. 1992a. "Deficit Takes a Big Jump, Could Hit \$35 Billion, In a Difficult Bind Spokesman Admits." The Globe and Mail, November 14, Sec. B:1.

_____. 1993c. "Economists Urge Crow's Return, Finance Minister also Told to Cut Deficit, Go Slow on Taxes." The Globe and Mail, December 14, Sec. B:1,6.

_____. 1992b. "Economy Still Paying for Excesses of 80's : Crow." The Globe and Mail, March 18, Sec. B:3.

_____. 1993a. "Japan Frets Over Canada's Debt." The Globe and Mail, February 11, Sec. B: 1,4.

_____. 1994a. "Labour Leaders Take Aim at Martin. Finance Minister Urged to Increase Corporate Taxes Instead of Slashing Spending." The Globe and Mail, October 20, Sec. B:23.

_____. 1994d. "Low Key Thiessen Sticks to Message of Central Bank Price Stability, Control of Debt." The Globe and Mail, February 18, Sec. B:1.

_____. 1992c. "Ottawa Promises More Cuts, Mazankowski Geared to Meet 92/93 Deficit Target." The Globe and Mail, May 21, Sec. B:2.

_____. 1994b. "Ottawa Talks Tough on Social Programs, Finance Text Pounds UI, Education." The Globe and Mail, January 12, Sec. B:1,4.

_____. 1994c. "Thiessen Defends Inflation Policy." The Globe and Mail, March 24, Sec. B:1.

_____. 1991a. "Wilson Facing Dual Challenge." The Globe and Mail, February 26, Sec. A:1,4.

_____. 1991b. "Wilson's Commitment Questioned, Ottawa Never Cashed Cheque for \$1,200 to Help Pay for National Debt." The Globe and Mail, February 28, Sec. A:6.

Gramsci, Antonio. 1977. Selections from Political Writings 1910-1920. London: Lawrence and Wishart.

_____. 1978. Selections from Political Writings 1921-1926. London: Lawrence and Wishart.

_____. 1971. Selections from the Prison Notebooks. London: Lawrence and Wishart.

Gallup Canada. 1994. Canadians' Views On The Deficit. Toronto, Gallup Canada, Inc.

_____. 1995. Increased Concern Over Government Deficits, Debt. Toronto, Gallup Canada, Inc.

Greenspon, Edward. 1993. "Martin Puts Himself In Unenviable Spot." The Globe and Mail, December 14, Sec. B:6.

Greenspon, Edward and Ha, Thanh. 1995. "More Cuts on Way, Ottawa Says, Ministers to Look at UI, Pensions, Natives, Canada Post to Reduce Deficit Even Further." The Globe and Mail, June 28, Sec. A:1.

Gregg, Alan. 1997. "A Post Deficit Agenda." Maclean's, January 6, pp. 44-46.

Griffin, Anthony. 1986. "Canada's Debt Heading for Disaster." The Globe and Mail, May 5, Sec. A:7.

Grubel, Herbert. 1992. "Constitutional Limits on Government Spending Deficits and Levels in Canada." In John McCallum eds., Limits to Government: Controlling Deficits and Debt in Canada. Toronto: C.D. Howe Institute.

Haiven, Larry. McBride, Stephen and Shields, John. 1992. "The State, Neo-Conservatism and Industrial Relations" in Larry Haiven, Stephen McBride, John Shields eds., Regulating Labour. Toronto: Garamond Press.

Hall, Stuart. et. al. 1978. Policing the Crisis: Mugging, The State, And Law And Order. New York: Holmes and Meier Publishers, Inc.

Hall, Stuart. 1986. "Variants of Liberalism" in James Donald and Stuart Hall eds., Politics and Ideology. Philadelphia: Open University Press.

Harris, David. 1996. A Society of Signs?. New York: Routledge.

Harris, Richard. 1994. "The Public Debt and Social Policy Round" in J. Richards and G. Watson eds., Paying Our Way: The Welfare State in Hard Times. Toronto: C.D. Howe Institute.

Howard, Russ. 1993. "Copps Foresees Program Delays, Bigger than Expected Federal Deficit Must be Considered Deputy Prime Minister Says." The Globe and Mail, November 11, Sec. A:1,2.

Jessop, Bob. 1982. The Capitalist State. Oxford: Martin Robertson.

Joll, James. 1977. Gramsci. Glasgow: Fontana/Collins.

Kasinitz, Philip. 1983. "Neo-Marxist Views of the State" Dissent 30:337-345.

Kohut, John. 1989. "Budget Aiming at Federal Debt Set to Come Down." The Globe and Mail, April 6, Sec. B:1.

_____. 1988. "Economic Growth Fosters Steep Decline in Federal Budget Deficit During 1st Half." The Globe and Mail, January 1, Sec. B:3.

Kress, Gunther. 1985. "Ideological Structures in Discourse" in Teun A. Van Dijk eds., Handbook of Discourse Analysis. Volume 4. Toronto: Academic Press.

Little, Bruce. 1993b. "Campbell's Pledge Means Pain." The Globe and Mail, June 16, Sec. B:10.

_____. 1994b. "DBRS Sees Long Term Deficit Rise." The Globe and Mail, February 10, Sec. B:3.

_____. 1992a. "Empty Pockets: The Crisis in Public Finance, Governments Finally Getting the Austerity Message." The Globe and Mail, February 20, Sec. B:1,2.

_____. 1993c. "Foreign Debt Swells to \$300 Billion. String of Government Deficit Means every Canadian Owes \$11,000." The Globe and Mail, April 16, Sec. B:1,4.

_____. 1992b. "Foreign Debts Keep Canada Shopping for Funds." The Globe and Mail, April 18, Sec. B:18.

_____. 1994d. "In the Red Corner Ontario, Canada's New Deficit Champ." The Globe and Mail, May 18, Sec. B:1,3.

_____. 1991a. "Inflation Fight Hailed, Ottawa Stand Seen Aiding Trade." The Globe and Mail, October 3, Sec. B:5.

_____. 1993d. "Low Inflation Hurts Deficit Fight." The Globe and Mail, February 23, Sec. B:1,6.

_____. 1994c. "OECD Slaps Canada's Wrist for Inadequate Deficit Cuts. Provinces Share Bad Marks in Annual Report Card." The Globe and Mail, December 7, Sec. B:5.

_____. 1994a. "Ottawa, Provinces Told to Cut Deficits, Moody's Warns that Combined Debt Poses a Potential Risk that Must be Addressed." The Globe and Mail, January 15, Sec. B:3.

_____. 1993a. "Ottawa Spared Downgrade By Dominion Bond Rating." The Globe and Mail, May 29, Sec. B:2.

_____. 1991b. "Provincial Deficits Called Growth Threat." The Globe and Mail, June 26, Sec. B:5.

_____. 1994e. "Royal Bank Forecasts Higher Rates, Prediction May Mean Federal Government will have to Cut Deeper to Meet Deficit Targets." The Globe and Mail, October 22, Sec. B:3.

MacDonald, W. A.. 1989. "The No. 1 Threat to Canada's Future." The Globe and Mail, April 6, Sec. A:7.

Maroney, Heather. J. 1992. "Using Gramsci for Women: Feminism and the Quebec State, 1960-1980" RFR/DRF 17:26-30.

McCallum, John. 1994. "Restructuring the Federal Government" in J. Richards and W. Watson eds. Paying Our Way : The Welfare State in Hard Times. Toronto: C.D. Howe Institute.

Mc Donnell, Frank. 1986. Theories of Discourse. New York; Basil Blackwell.

McKenna, Barrie. 1994b. "Business Leaders Unveil Blueprint for Economy, Report Calls for Deficit Reduction Without Raising Taxes" The Globe and Mail, September 17, Sec. B:4.

_____. 1994a. "Canada a Third World Debtor Think Tank Says. Fraser Institute's SIC List Also Shows How Badly Provincial Governments Are Ailing." The Globe and Mail, May 12, Sec. B:8.

_____. 1993. "Cuts in Spending Urged: New Group Warns of Wrong Choices in Current Election." The Globe and Mail, October 6, Sec. B:4.

McNith, Jacquie. 1993. "Provinces' Warned Credit Crunch Coming, Moody's Points Bleak Picture." The Globe and Mail, March 10, Sec. B:1.12.

McRobbie, Angela and Thorton, Sarah L. 1995. "Rethinking Moral Panic for Multi-mediated Social Worlds" British Journal of Sociology 46:559-573.

McQuaig, Linda. 1995. Shooting the Hippo: Death by Deficit and Other Canadian Myths. Toronto: Penguin Books.

Miliband, Ralph. 1973. The State and Capitalist Society: The Analysis of the Western System of Power. London: Quartet Books.

Milner, Brian. 1995. "Bank of Canada Governor Optimistic Over Dollar: Thiessen Cites Investor Confidence in Policies on Deficit." The Globe and Mail. April 6, Sec. B:1,14.

_____. 1991. "Canada Still Triple - A, S & P's Debt Rating." The Globe and Mail, May 7, Sec. B:4.

Mittelstaedt, Martin. 1994. "Canada Gets Deficit Wake Up Call, Ottawa and Provinces on a Debt Treadmill Credit Rater Warns." The Globe and Mail, September 7, Sec. B:1,16.

Moskau, J.J. 1994. "IMF Slams Ottawa's Deficit Cutting Target as Insufficient." The Globe and Mail, November 29, Sec. B:1.

Murdock, G. 1974. "Mass Communication and the Construction of Meaning" in N. Armistead eds., Rethinking Social Psychology. Harmondsworth: Penguin.

Murenbeeld, Martin. 1987. "Alarms Should be Sounding Over Canada's Foreign Debt." The Globe and Mail, February 10, Sec. A:7.

O' Connor, James. 1973. The Fiscal Crisis of the State. New York: St. Martins Press.

Offe, Claus. 1974. "Structural Problems of the Capitalist State" in K. Von Beyme eds., German Political Studies Vol. 1. London: Sage.

Panitch, Leo. 1977. "The Role and Nature of the Canadian State" in Leo Panitch eds., The Canadian State Political Economy and Political Power. Toronto: University of Toronto Press.

Partridge, John. 1994. "Canada Got Off Easy: Bank Chief Says Markets Sending Warning to Ottawa." The Globe and Mail, April 8, Sec. B:1-2.

Patterson, Stewart. 1987. "Taxes Rise Faster Than Federal Spending, Which Helps Ottawa Fight Budget Deficit." The Globe and Mail, April 28, Sec. B:9.

Pellicani, Luciano. 1976. Gramsci : An Alternative Communism?. Stanford California: Hoover Institution Press.

Poulantzas, Nicos. 1968. Political Power and Social Classes. Paris: Maspero. (Cited from the English translation, 1973. London: New Left Books).

Poulantzas, Nicos. 1970. Fascism and Dictatorship. Paris: Maspero. (Cited from the English translation, 1974. London: New Left Books).

Poulantzas, Nicos. 1976. "The Capitalist State: A Reply to Miliband" New Left Review 95:63-83.

Raymond, John. 1990. "\$ 65,000 a Minute : That's How Much Debt Costs Canada." The Globe and Mail, September 14, Sec. B:6.

Rusk, James. 1991. "Deficit Must be Cut : Report it will Risk Making Recession Worse, but it is Needed" The Globe and Mail, February 5, Sec. B:10.

_____. 1989. "Mathematics of Federal Debt Add Up to Necessity for Drastic Measures." The Globe and Mail, April 24, Sec. B:1.

Savoie, Donald. J. 1993. "Deficits and Debt: A Government Perspective" in Colloquium on Deficits and Debt. Office of the Auditor General of Canada, 59:61.

Simon, Roger. 1982. Gramsci's Political Thought: An Introduction. London: Lawrence and Wishart.

Simpson, Jefferey. 1991. "As Revenue Canada Might Put it, Nothing is Certain but Debt and Taxes." The Globe and Mail, June 5, Sec. A:14.

_____. 1993. "Canada Can Either Deal With Its Debt or Wait for Outsiders to Do So." The Globe and Mail, April 30, Sec. A:24.

_____. 1995. "Canada's Federal Structures Now Face the Villains of Deficit and Debt." The Globe and Mail, November 30, Sec. A:20.

_____. 1994. "Remorseless Arithmetic: The Citizen and the State in Canada" Queen's Quarterly 4:782-798.

Stinson, Marian. 1993. "Dollar Rises as Debt Panic Cools. Canada Retains Top Grade Rating." The Globe and Mail, April 29, Sec. B:1,7.

Thompson, John. B. 1990. Ideology and Modern Culture. Cambridge: Polity Press.

Thorsell, William. 1993b. "Canada as Debt Junkie: The Old Fixes Don't Work Anymore" The Globe and Mail, May 8, Sec. D:6.

_____. 1993a. "Will Canada Take Its Deficit Medicine or Catch the 65 Cent Sickness?" The Globe and Mail, January 23, Sec. D:6.

Waddel, Christopher. 1988. "Higher Tax Revenue Helps Reduce Federal Deficit." The Globe and Mail, March 19, Sec. B:5.

Waddington, P.A.J. 1986. "Mugging as Moral Panic: a Question of Proportion" British Journal of Sociology 32:245-258.

Walker, Alan. 1982. Public Expenditure and Social Policy : An Examination of Social Spending and Social Priorities. London: Heinemann Educational.

Wells, Clyde. 1993. "The Crush of Newfoundland's and Canada's Debt." The Globe and Mail, March 5, Sec. A:25.

Welsh, Larry. 1992. "Back to Square One on Debt." The Globe and Mail, November 21, Sec. B:2.

Williams, Brian. 1994. "Bail Bandits: The construction of a Moral Panic" Critical Social Policy 13:104-112.

Wilson-Smith, Anthony. 1997. "Future: Canadians are Ready for Fundamental Changes in Society." Maclean's, January 6, pp. 16-44.

Workman, Thom. 1996. Banking on Deception: The Discourse of Fiscal Crisis. Halifax: Fernwood Publishing.